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SHIJIE ZHISHI ON U.S.-SOVIET CONTENTION FOR SEAS

HK301021 Beijing SHIJIE ZHISHI in Chinese No 17, 1 Sep 86 pp 14, 15

[Article by Su Dushi (5685 6236 1709) and Han Bin (7281 1755): "U.S.-Soviet Contention for Supremacy on the Seas"]

[Text] For many years, the vast seas have always been a site where the two superpowers -- the United States and the Soviet Union -- have fiercely scrambled for supremacy in order to seize hegemony over the whole world. Since the mid-1980's, while vigorously scrambling for supremacy at their "high border" -- outer space -- these two countries have never slackened their efforts to contend for supremacy on the seas, which account for about 71 percent of the surface of the globe.

Global contention for supremacy on the seas between the two superpowers have become an important cause for the instability in the current world situation.

Pit-to-Tap Marine Strategy [subhead]

Marine strategy is a basic component of the military and global strategy of the United States and Soviet Union.

The United States has always regarded itself as a "marine state." For the over 40 years since World War II, it has always regarded as one of the basic aspects of its military strategy control of the seas all over the world and command of the sea. Before the 1950's, the U.S. Navy was the strongest in the world, while at that time the Soviet Union only had an inshore navy which was no match for that of the United States. The U.S. Navy became an important tool for the United States in carrying out its "gunboat diplomacy" toward the Third World and its economic and political expansion. When Claytor, former U.S. secretary of the Navy, gave testimony at the Senate Military Committee in February 1978, he admitted, "Over the past 30 years, U.S. armed forces have been used in 200 crises.... Our navy was present in 80 percent of them and was present alone in over 100 of the crises." However, since the 1960's and in particular, since the late 1970's, as the Soviet Navy grew rapidly, the U.S. Navy has been faced with a serious challenge. In the 20 years when the Soviet Navy was under the command of Navy Commander Sergey G. Gorshkov, the Soviet Navy became an offshore marine force with huge fleets. It has not only grown bigger than that of the United States in terms of number of ships, but has also gained a relative ascendancy in the area of attack submarines. In the same period, as some old warships that were built in World War II were demobilized one by one, as the lack of funds restricted its scale of the construction of new warships, and as there was a shortage of spare parts and ammunition in its store for its ships, U.S. naval supremacy over the Soviet Union once dropped to its lowest level for a few years at the end of the 1970's.

Since Ronald Reagan came to office, he has regarded restrengthening the Navy as an important part of his objective to strengthen the United States and stressed that the Navy is an important pillar for U.S. diplomatic policies and for implementation of the current U.S. military strategy of "new flexible response." Reagan not only pays close attention to the Navy's role as a strategic nuclear force, but also to its role in conventional warfare. He clearly said that U.S. marine strategy was to maintain naval supremacy over the Soviet Union and command over the sea. In his "plan to strive to achieve greater marine supremacy" that he put forth in 1981, he alleged: "The United States needs supremacy on the seas and must be able to promptly send troops to the spots of incident at emergencies to control the air, sea, and sea area under the surface in order to ensure the safety of navigation in the sea areas all over the world." [paragraph continues]

In 1984, the Reagan administration redefined the task for the U.S. Navy's ordinary task force as to control the sea and transport forces.

From the points of view of history and geography, the Soviet Union is an inland country and its navy was never much developed in the past. During the Cuban missile crisis in 1962, Soviet ships that carried the missiles had to return in the face of a powerful U.S. Navy and were forced to accept "ship-to-ship" inspection by the U.S. Navy. This incident made the Soviet Union keenly feel the need to strengthen its navy. As Soviet external expansion develops, its strategic thought to scramble for control of seas with the United States has become increasingly clearer. For many years, important Soviet military and civilian figures have time and again stressed that the Soviet Union should be a power not only on land but also on the seas, that Soviet fleets should sail in "all areas that the interests of the country's security requires them to go," and that it should match the U.S. Navy in all the world's oceans. Since the third Middle East war broke out in 1967, Soviet fleets have formally entered the Mediterranean and for a time it maintained a maximum force of 27 war ships there. During the war between India and Pakistan in 1971, the number of Soviet ships in the Indian Ocean rose to 26. During the fourth Middle East war in 1973, the number of ships in its fleets in the Mediterranean reached 96 for a time. Since 1979, when the Soviet Union got the navy base at Cam Ranh Bay in Vietnam, it has sent a detachment of fleet to permanently stay there and thus greatly expanded the scope of the activities of its Pacific Fleet. Through over 20 years of efforts, the Soviet Navy has now grown from an island defense force into a "blue water" navy with four major fleets (the Baltic Fleet, Black Sea Fleet, Pacific Fleet, and Northern Fleet), and a huge navy that can conduct global contention with the United States. Former Soviet Navy Commander Gorshkov once said: "The Soviet Navy's flags are fluttering on all the oceans in the world. Sooner or later, the United States has to admit that it will no longer be able to dominate the seas."

The Implementation of Plans To Build Warships on a Large Scale [subhead]

In order to gain strategic supremacy on the seas, neither the Soviet Union nor the United States has begrudged the huge expenditure for the vigorous expansion of their navy armament. At present, both countries are carrying out plans to build warships on a large scale. The Reagan administration has drawn up a plan to build warships on an unprecedented large scale, with the goal that by the end of the 1980's the U.S. fleet will have 600 major combat warships including 15 aircraft carriers, 4 refitted battle ships, and 100 nuclear attack submarines. As a result of the implementation of this plan, by the end of Fiscal Year 1986, the number of major ships in the U.S. Navy will rise from 479 in 1980 to 554 in 1986. The number of battleships will rise from 0 to 3, that of attack submarines will rise from 74 to 97, and that of cruisers will rise from 26 to 32. In addition, the construction of two huge nuclear aircraft carriers has been speeded up. The number of personnel on active duty in its Navy and Marine Corps has also risen from 705,000 in 1980 to 780,000 now.

At the same time, the Soviet Union is also carrying out a similar plan to build and renew various kinds of warships. According to statistics provided by the London International Strategy Research Institute in Britain, the Soviet Union now has 270 attack submarines, a number about 160 percent bigger than that of the United States, and thus has the largest submarine fleet in the world. The Soviet Union has also changed its old view that aircraft carriers are only moving targets for missiles, and is vigorously developing its own aircraft carriers. It is now building four Kiev-class aircraft carriers, and has recently been building a nuclear aircraft carrier of 60,000-70,000 tons, which is expected to go into service soon. In addition, it is vigorously developing missile cruisers and Navy airplanes stationed on land, and plans to employ antiwarship missiles to deal with the special mixed fleets of the United States.

In building up their strategic forces on the seas, the U.S. and Soviet Navies are vying with each other in building new-type strategic nuclear submarines in order to have greater marine strategic nuclear-deterrent forces. So far, the United States has 37 strategic nuclear submarines, of which 7 are Trident submarines of the newest type and are equipped with about 650 ballistic missiles that can be launched under the surface of the water. The Soviet Union has 64 strategic submarines, of which 4 are newly-built Typhoon-class nuclear submarines and are equipped with more than 980 ballistic missiles that can be launched under the surface of the water. As the vast seas are the best cover, they have already become the main site for the United States and the Soviet Union to compete with each other in developing and deploying strategic nuclear forces.

Contention for Important Strategic Places on the Seas [subhead]

In order to scramble for command of the seas, both the United States and the Soviet Union have sent battle fleets for permanent stationing abroad and intensified their contention for important strategic places abroad. The United States has established naval bases in many areas around the world. Since the 1960's, the Soviet Union has also set up one by one naval bases in Cuba, South Yemen, and Vietnam. In some areas, naval bases of the two countries are situated opposite each other across the sea and their naval warships have collided with each other many times on the sea. For example, a Soviet V-II class submarine was caught by the cable of a U.S. escort vessel in the sea area near South Carolina in the United States and a Soviet V-I class nuclear submarine collided with a U.S. aircraft carrier and was thus damaged in the sea area near Korea. These reflect from another angle the fierce contention between the United States and the Soviet Union on the seas.

The contention between the United States and Soviet Union for traffic lines and key communication spots is particularly fierce.

In order to ensure the seaway for its Pacific Fleet to go to outlying oceans, the Soviet Union has even now refused to return to Japan its four northern islands and has furthermore stationed many troops there. In order to ensure marine communications lines for the United States, the United States declared not long ago that it would strive to control 16 vital communications spots in the world (refer to issue No 6 of this journal this year). All these vital spots are places for which people will surely scramble in wartime. If one of them can occupy them, it will be able to cut the throat of the other. If the Soviet Union controls these places, it will be able to seriously threaten the marine transportation of petroleum, raw materials, and other strategic materials and goods of the United States to support the war that is fought in Europe or other areas. Reversely, if these vital spots are controlled by the United States, they will not only enable it to ensure the unblocked marine communications of itself and its allies, but also to keep Soviet fleets in closed bases or sea areas.

All the above shows that the contention for supremacy on the seas between two superpowers -- the United States and the Soviet Union -- will intensify day by day. This constitutes a serious threat to the safety and stability of various areas and also to world peace. It cannot help but rouse people's great concern.

WANG BINGQIAN ADDRESSES IMF-WORLD BANK MEETING

OW011236 Beijing XINHUA in English 1223 GMT 1 Oct 86

[Text] Washington, September 30 (XINHUA) -- The Chinese finance minister called on international finance leaders to help developing countries now facing growth crises.

Speaking at the annual meeting of the International Monetary Fund and the World Bank, which opened here today, Wang Bingqian told representatives from 150 nations that the world economy is increasingly interdependent today.

"It is hardly imaginable that global economic prosperity and political stability can be sustained in an environment in which the developing countries are confronted with deepening development crisis and economic difficulties," Wang said.

He expressed his disappointment with the developments of the world economy since the last annual meetings.

The economic growth in major industrial countries has continually decreased, with their trade and fiscal imbalances largely intact, he said, adding that the disturbing factor is the further deterioration of the international economic environment for developing countries.

The prices of primary commodities and petroleum have plunged while those of manufactured goods have risen, resulting in worsened terms of trade for the developing countries. Combined with the proliferation of protectionism, especially of the non-tariff kind, has caused a sharp reduction in export earnings of the developing countries, Wang said.

At the same time, there has been little increase in the capital flow to developing countries, and furthermore, reversed transfers have been going on for years, resulting in a negative growth rate in a number of countries, he noted.

Over the past nine months, the Chinese minister said the debt problem has been getting worse, renewing concern over the possibility that the debt crisis may recur.

"Close to one trillion dollars in magnitude, the indebtedness not only imposes a heavy burden on the developing countries in their economic development, but also constitutes a major factor of instability in the world economy," he said.

Wang urged the developed countries and creditor banks to cooperate in the developing countries' efforts to fight debt problems. The major industrial countries must curb protectionism to permit export expansion by developing countries.

To meet the needs of the developing countries for economic adjustment and development, the Chinese minister suggested a general capital increase for the World Bank.

He said the World Bank should assume an additional role under new circumstances to assist member countries in economic adjustment by appropriately increasing policy-based lending.

"The Chinese Government shall strive in close cooperation with other member countries, for the earliest realization of the general capital increase," he said.

"China is committed to full cooperation with other member countries to play a positive role in the World Bank and the International Monetary Fund with a view of creating a better international environment," the Chinese finance minister concluded.

RENMIN RIBAO WELCOMES U.S.-USSR REYKJAVIK SUMMIT

OW011113 Tokyo KYODO in English 1037 GMT 1 Oct 86

[Text] Beijing, Oct. 1 KYODO -- The official Chinese newspaper PEOPLE'S DAILY said Wednesday that Beijing welcomes the superpower summit meeting between Soviet leader Mikhail Gorbachev and U.S. President Ronald Reagan agreed Tuesday.

China has so far maintained that the U.S. and the Soviet Union should aim at an agreement on effective disarmament between them through sincere negotiations.

Foreign Minister Wu Xueqian told the United Nations General Assembly on September 24 that successful disarmament depends on whether the superpowers sincerely seek it. "The two countries should reach an agreement to ensure they never resort to nuclear war and do not infringe on the sovereignty of other countries by military force," Wu added.

On disarmament issues, China has recently made it clear that every country in the world regardless of its military strength should be allowed to voice its concern about the issue so that the superpowers can take into account such positions.

PRC, USSR DISCUSS OPENING 6 NEW CONSULATES

HK020755 Hong Kong AFP in English 0722 GMT 2 Oct 86

[Text] Beijing, Oct 2 (AFP) -- China and the Soviet Union have discussed opening six new consulates, some of them located in strategic zones in both countries, a diplomatic source said Thursday. The topic was discussed during a mid-August visit here by Vice Premier Nikolay Talyzin, the source said.

Envisaged are Soviet consulates in Shenyang, Guangdong and Urumqi, and Chinese consulates in Kiev, Alma Ata and Khabarovsk, the source said.

Beijing and Moscow had previously agreed in May to reopen consulates in Shanghai and Leningrad, the first since the Sino-Soviet split in the early 1960's.

The diplomatic source said China preferred to wait for another foreign country to open a consulate first in Urumqi, in the Xinjiang Autonomous Region about 420 kilometers (250 miles) from the Sino-Soviet frontier. The province includes Uygurs, Khirgiz, Tajiks and Uzbeks, large Muslim communities who are also present in the Soviet Republic of Kazakhstan.

Khabarovsk, at the eastern end of the Soviet Union, is situated near a border zone that was the scene of bloody Sino-Soviet clashes in March 1969.

A spokesman for the Soviet Embassy here said he had no comment to make on the source's report. Thursday was a public holiday in China and the Ministry of Foreign Affairs could not be reached for comment.

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During the visit by Mr. Talyzin, the highest-ranking Soviet official to visit China since 1969, China and the Soviet Union renewed a consular agreement covering stays in China by diplomatic personnel, experts and exchange students and their movements.

Beijing and Moscow agreed last month to resume border talks next year. The talks were broken off by China in 1979 after the Soviet invasion of Afghanistan, observers said.

The talks will deal with the delineation of the border along the Ussuri and Amur Rivers, in northeastern China and the Soviet Far East, and in a zone straddling Xinjiang Province in China and Soviet Kazakhstan.

Border negotiations took place alternatiely in Beijing and Moscow between 1964 and 1978 but proved fruitless.

But on July 28 Soviet Leader Mikhail Gorbachev said the Soviet Union was prepared to recognize the center of the Ussuri and Amur as the frontier, rather than the Chinese bank -- an apparent concession to China.

SCIENCE EDUCATION DELEGATION ENDS USSR TOUR

OW020015 Beijing XINHUA Domestic Service in Chinese 0302 GMT 30 Sep 86

[Text] Moscow, 29 Sep (XINHUA) -- A Chinese science and engineering educational delegation, headed by Zhu Kaixuan, vice minister in charge of the State Education Commission, left here for home today after concluding a 2-week visit to the USSR.

The delegation made the visit at the invitation of the Soviet Ministry of Higher and Secondary Specialized Education. During the visit, the delegation and its Soviet counterparts briefed each other on higher education and reform. The delegation also toured the cities of Moscow, Novosibirsk, Leningrad, and Kharkov.

Gennadiy Yagodin, Soviet minister of higher and seconday specialized education, met the delegation.

KOREAN PAPER MARKS CHINESE NATIONAL DAY

OW011012 Beijing XINHUA in English 0851 GMT 1 Oct 86

[Text] Pyongyang, October 1 (XINHUA) -- The leading Korean newspaper "NODONG SINMUN" today highly praised China's achievements in various fields in the past 37 years.

In an editorial to mark the 37th anniversary of the founding of the People's Republic of China, the paper noted that the Chinese people have in these years made great achievements in their socialist revolution and socialist construction under the leadership of the Communist Party of China.

Since the founding of the People's Republic in 1949, China's international prestige has been rising with each passing day, exerting growing influence on international affairs, the editorial said.

The editorial also highly valued the Sino-Korean friendship, saying it has made great contributions to their respective socialist construction and to the peace and security in Asia and the rest of the world.

PRC TECHNICIANS RECEIVE MEDALS IN PYONGYANG

OW011926 Beijing XINHUA in English 1632 GMT 1 Oct 86

[Text] Pyongyang, October 1 (XINHUA) -- The Democratic People's Republic of Korea, under an order of President Kim Il-song, today awarded friendship medals to 49 Chinese engineers and technicians for their help in building the Haijoo paper plant.

DPRK Vice-President Pak Song-chol at the awards ceremony praised the efforts made by the Chinese engineers and technicians in building the paper plant.

Construction of the plant was started in 1981, and trial production has just been successfully carried out. Using reeds and bamboo that grow locally as raw material, the plant has a designed annual capacity of producing 11,000 tonnes of paper.

Chinese Ambassador to Korea Zong Kewen was present at the awards ceremony.

XINJIANG-JAPAN JOINT VENTURE STARTS UP

OW01191 Beijing XINHUA in English 1608 GMT 1 Oct 86

[Text] Urumqi, October 1 (XINHUA) -- The Tianshan Pharmaceutical Industrial Company Ltd., a joint venture project between China and Japan, opened business here today. This is Xinjiang's first pharmaceutical business using foreign capital, local officials said. The company uses licorice roots to produce sweet additives for export to Japan and other countries. It will begin trial production next month. The region is one of China's major producers of licorice roots.

GENG BIAO MEETS, FETES VIETNAM'S HOANG VAN HOAN

OW291221 Beijing XINHUA in English 1130 GMT 29 Sep 86

[Text] Beijing, September 29 (XINHUA) -- Geng Biao, member of the Standing Committee of the Central Advisory Commission of the Communist Party of China (CPC) and vice-chairman of the National People's Congress Standing Committee, met and feted Hoang Van Hoan, veteran Vietnamese revolutionary, here today.

Among those present at the meeting and dinner were Zhu Liang, head of the International Liaison Department, and Yang Dezhong, deputy director of the General Office, of the CPC Central Committee.

XINHUA VIEWS CAMBODIANS JOINING RESISTANCE

OW291848 Beijing XINHUA in English 1830 GMT 29 Sep 86

["Why Do They Come Over to Resistance Forces? (by Ma Shengrong)" -- XINHUA headline]

[Text] Oddar Meanchey, Kampuchea, September 29 (XINHUA) -- It becomes clear to most of the Kampucheans now that the Vietnamese have come to occupy our country and oppress the Khmers. This is the exact reason which makes me join the resistance," 43-year-old Ou Chheng said.

During an interview with this correspondent at a jungle base of the resistance forces last weekend, Ou Chheng admitted that he did not see through the true feature of the Vietnamese invaders in 1980 when he was drafted into the Heng Samrin army.

"I was posted at a well-equipped hospital in Phnom Penh which only accomodates high-ranking Vietnamese and Heng Samrin soldiers. I thought that the Vietnamese would treat us as equals," he said.

Ou Chheng soon found out that he was wrong. The Khmers had no say in the hospital and all the decisions had to be approved by the Vietnamese advisers.

He was later sent to Oddar Meanchey Province, northwest Kampuchea, to serve as chief of the medical team in the Heng Samrin army. "The Vietnamese advisers kept a close eye on everyone of us. I came to realize that as a Khmer, I should not help the aggressors," he said.

When he was ordered to go back to Phnom Penh he found a pretext to stay on. "It is easier to escape from the border province because the resistance forces are operating in the area," he said. With the help of resistance soldiers, Ou Chheng arrived at a resistance base in the early morning of June 16.

Resistance leaders told this correspondent during the visit to their bases that from January to September this year, over 1,000 Heng Samrin soldiers defected to the northwest zone of the National Army of Democratic Kampuchea (NADK), 403 to the Nationalist Sihanoukian Army (ANS) and 251 to the Khmer People's National Liberation Front (KPNLF).

26-year-old Tep Savoeun was commander of No 19 Battalion of the Fourth Division of the Heng Samrin army. His battalion was transferred to the border areas in Battambang Province at the beginning of 1986. "The Vietnamese forced us to fight with the resistance forces with guns, they are using us as cannon fodder," he said.

One company of soldiers in the battalion defected to the resistance forces shortly after they were transferred to the border areas. What these soldiers has done was right, he said, adding "I cannot command Khmers to fight Khmers."

Tep Savoeun worked out a plan for himself. In the late night of July 13, he told the Vietnamese advisers that he was leading a company of soldiers to attack a resistance base near the border and then he came over to the resistance side.

For Mak Sineat, it was much easier to carry out his plan of defection. He had been working in a special Political Section in the Defence Ministry of the Heng Samrin regime for over six years. Each officer in this section was issued a special pass which allowed him to go throughout Kampuchea.

"The pass had helped me a lot. I travelled from Phnom Penh to Battambang with my wife and children without a hitch," he said. He later moved up to the Kralanh District of Siem Reap Province, where he and his family went to a resistance base with the assistance of resistance agents.

"I am a Khmer, I cannot tolerate the Vietnamese to oppress our compatriots, Khmers will not fight Khmers," he said.

PHILIPPINE PRESS HAILS CPC PLENUM RESOLUTION

OW011016 Beijing XINHUA in English 0826 GMT 1 Oct 86

[Text] Manila, October 1 (XINHUA) -- Newspapers here have highlighted the resolution adopted by the Sixth Plenary Session of the 12th Central Committee of the Communist Party of China on the guiding principles for building a socialist society with an advanced culture and ideology.

The "WORLD NEWS" said today that the resolution will be a tremendous enlightenment for the billion chinese people in their march to socialist modernization.

Guided by the resolution, the paper said in a commentary, the Chinese people will work still harder for even greater achievements in all fields in socialist construction.

In a news analysis, the paper "TRIBUNE" pointed out that the resolution "dealt extensively with how China can challenge traditional socialist theories of economic development and still retain unquestioned allegiance to Marxism, the Communist Party and a system of ethics based on love of the motherland, the people, labor, science and socialism."

"THE MANILA TIMES" said editorially, China has made giant strides in the economic field. China stands for the maintenance of world peace and the relaxation of international tension. It is opposed to all aggression and hegemonism. It advocates the settlement of international disputes through negotiations, and open relations with the outside world.

The paper "MALAYA" in a signed article praised China's achievements in science, medicine and sports, and pointed out that it was "socialism that has brought about transformation of China and the Chinese. Before the Chinese revolution, China had been cut up by the European nations, which controlled commerce and industry."

"THE MANILA JOURNAL" said that nobody doubts the success of China in its agricultural and urban reforms. China is not going capitalist.

It went on to say that economic reform will certainly continue. "China is almost totally absorbed by it, and while foreign help is sought, that won't be decisive. This is an internal drama of global implications," the paper stated.

ADB PRESIDENT PRAISES PRC ECONOMIC REFORMS

OW262205 Beijing XINHUA in English 1637 GMT 26 Sep 86

[Text] Manila, September 26 (XINHUA) -- Masao Fujioka, president of the Manila-based Asian Development Bank (ADB), said today that "China will become a major economic force in the coming decades if its present policies to modernize its economy continue and adequate investment is made in industry.

Fujioka was speaking in New York before a gathering of scholars, government officials and business leaders showing special interest in Asia. His prepared speech was released to the press in Manila by the ADB Information Office today.

He said that after passing through a turbulent period during the "Cultural Revolution," China has made a major shift towards policies to modernize its national economy.

He went on to note that economic reforms have brought about remarkable success in agriculture. In the industrial field, both intensive retraining of the work force and increased trade and economic cooperation with developed countries are being sought to increase efficiency and the productivity of investment.

He also pointed out that China's exports greatly increased from 1970 to 1985 and further increases are expected.

China will not only become an important exporter of a large variety of goods and services but also provide a large market of industrial goods and raw materials for other countries within and outside the asian and pacific region, he noted.

ZHAO ZIYANG MEETS OUTGOING, ARRIVING ENVOYS

OW271214 Beijing XINHUA in English 1158 GMT 27 Sep 86

[Text] Beijing, September 27 (XINHUA) -- Premier Zhao Ziyang met on separate occasions here today with out-going Thai Ambassador to China Orachun Tanaphong and new Malaysia Ambassador to China Dato Ismail bin Mohamed Salleh.

NEW PRC ENVOY TO ALBANIA PRESENTS CREDENTIALS

OW011916 Beijing XINHUA in English 1630 GMT 1 Oct 86

[Text] Tirana, October 1 (XINHUA) -- Newly-appointed Chinese Ambassador to Albania Fan Chengzuo yesterday presented his credentials to the chairman of the Albanian Presidium of the People's Assembly, Ramiz Alia.

The two met after the credentials ceremony. Fang arrived in Tirana September 23.

NPC GROUP CONTINUES VISIT TO BULGARIAN

Meets Todor Zhivkov

OW260422 Beijing XINHUA in English 0147 GMT 26 Sep 86

[Text] Sofia, September 25 (XINHUA) -- Todor Zhikov, chairman of the State Council of Bulgaria, today met and had a friendly talk with the delegation of the Chinese National People's Congress led by Vice-Chairman of its Standing Committee Liao Hansheng.

Zhivkov expressed satisfaction with the development of Sino-Bulgarian relations in recent years. "I hope the relations between our two countries will be further enhanced," he said.

Both Bulgaria and China are socialist countries, he noted, adding, "temporary divergence should not present an obstacle to the development of good relations between our two countries."

The two parties briefed each other on the economic tasks and structural reform in the two countries. They also exchanged experiences in building socialism.

Both sides stressed that the most important task today is to stop the arms race, reduce nuclear weapons and eliminate the danger of a nuclear war and people of all nations must work hard to achieve this aim.

Liao Hansheng conveyed Chinese leaders' regards to Zhivkov and other Bulgarian leaders. Zhivkov expressed his thanks and asked Liao to convey his best wishes to Chinese leaders.

Leaves for Hungary

OW270454 Beijing XINHUA in English 0133 GMT 27 Sep 86

[Text] Sofia, September 26 (XINHUA) -- A delegation of the Chinese National People's Congress led by its Vice-Chairman Liao Hansheng ended its visit to Bulgaria and left here for Hungary today.

Interviewed by correspondents from the Bulgaria television station, the broadcasting station and a newspaper earlier today, Liao Hansheng said that both China and Bulgaria hope to further develop the relations between them in every field and to strengthen the cooperation between their parliaments.

On world peace, Liao said that maintaining peace is the common wish and sacred duty of all people. China consistently opposes nuclear war and stands for complete banning and thorough destruction of nuclear weapons, he added. During his stay in Bulgaria, Liao met with Bulgarian leader Todor Zhivkov and Chairman of the National Assembly Stanko Todorov and First Vice-Chairman of the Council of Ministers Andrei Lukanov. He also visited the provinces of Plovdiv and Varna accompanied by Vice-Chairman of the Bulgarian National Assembly Drazha Vylcheva.

The delegation arrived here on the 19th this month for an eight-day visit. This is the delegation's first leg of its East European tour which will also take it to Hungary and Czechoslovakia.

CZECHOSLOVAK PARTY DELEGATION LEAVES BEIJING

OW291829 Beijing XINHUA in English 1645 GMT 29 Sep 86

[Text] Beijing, September 29 (XINHUA) -- Michal Stefanak, head of the International Affairs Department of the Czechoslovak Communist Party, and his party left here today after a three-day stay on their way abroad.

Earlier, Zhu Liang, head of the International Liaison Department of the Chinese Communist Party Central Committee, met and feted the guests. Li Shuzheng, deputy head of the department held talks with the visitors on questions of common interest.

NPC GROUP BEGINS HUNGARY LEG OF E. EUROPE TOUR

Feted In Budapest

OW271041 Beijing XINHUA in English 0733 GMT 27 Sep 86

[Text] Budapest, September 26 (XINHUA) -- Istvan Sarlos, speaker of the Hungarian National Assembly, gave a banquet tonight in honour of a delegation of the Chinese National People's Congress led by its Vice Chairman Liao Hansheng. The Chinese delegation arrived in Budapest today.

In his toast, Sarlos said that the ideas and programs for economic development in Hungary and China have made the ties closer between the people of the two countries.

In return, Liao said that his delegation has come to Hungary to restore and further the relationship between the legislative bodies of the two countries and to learn more about the experience in Hungary's development. He expressed the hope that the visit will help promote political and economic ties between China and Hungary.

Liao Hansheng Meets Sarlos

OW280310 Beijing XINHUA in English 0246 GMT 28 Sep 86

[Text] Budapest, September 27 (XINHUA) -- Hungarian National Assembly Speaker Istvan Sarlos met today with a delegation of the Chinese National People's Congress led by its vice chairman Liao Hansheng.

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They discussed expanded cooperation between the legislative bodies of the countries. Sarlos briefed the Chinese guests on Hungary's economic development and explained his country's foreign policy.

The Chinese delegation arrived in Hungary Friday.

HUNGARIAN PAPER HAILS PRC 'REVOLUTIONARY' REFORM

OW011930 Beijing XINHUA in English 1709 GMT 1 Oct 86

[Text] Budapest, October 1 (XINHUA) -- The "HUNGARY NATIONAL NEWSPAPER" today commemorated China's 37th anniversary noting that the current economic reforms are viewed by as many as "revolutionary."

Reform has sped-up development of the Chinese economy and achieved great successes hitherto unimagined, although it is still at the experimental stage, the editorial said.

It noted that China has realized self-sufficiency in grain due to reform in rural areas, adding that similar policies have been extended to urban areas and to finance and planning.

PRC EXPORTS TELEVISION SETS TO HUNGARY

OW301725 Beijing XINHUA in English 1636 GMT 30 Sep 86

[Text] Tianjin, September 30 (XINHUA) -- Fourteen hundred Chinese television sets were shipped to Hungary today, marking the first time that China has exported color televisions to East Europe.

According to a trade contract signed between China and Hungary in May this year, China is to export 21,400 14-inch and 18-inch "Beijing" Brand television sets to the East European country.

The "Beijing" Brand television, produced by the Tianjin Telecommunications and Radio Company, is known in China for its clear and stable picture.

The company, one of China's oldest, has an annual production capacity of 600,000 television sets, including 450,000 color sets, a company official, told XINHUA.

ZHEJIANG GOVERNOR MEETS HUNGARIAN DELEGATION

OW270639 Hangzhou ZHEJIANG RIBAO in Chinese 18 Sep 86 p 1

[Text] Last night Zhejiang Governor Xue Ju met with and gave a banquet for a delegation from the Hungarian Economic, Trade, Science, and Technology Cooperative Commission led by Istvan Hetenyi, Hungarian minister of finance.

The Hungarian delegation arrived in Hangzhou on 16 September for a visit in the company of Liu Yi, minister of commerce. That evening, Vice Governor Xu Qichao met with the Hungarian guests and hosted a banquet for them.

When Governor Xue Ju met with the guests, responsible persons of the provincial departments concerned, including Wang Zhonglu, Zhuang Yumin, Wu Qian, and Zhou Zhangxie, were on hand.

While in Hangzhou, the delegation visited the Hangzhou Television factory, the Hangzhou silk printing and dyeing plant, and the Longxiangqiao farm produce trade market and toured some places of historic interest and scenic beauty.

RENMIN RIBAO EXAMINES SITUATION IN POLAND

HK301220 Beijing RENMIN RIBAO in Chinese 30 Sep 86 p 6

[Article by Wen Youren (2429 2589 0088): "Poland Is Marching Forward on the Road to Socialist Reform"]

[Text] There is a small cross, made of flowers and greenery, on the ground in front of a small church in central Warsaw. Now, the flowers and leaves have withered away. Few passersby still pay attention to it. This cross was made by some dissidents as a sign of "protest" against the military control after the Polish Government banned the Solidarity trade union in late 1981 and imposed military control over the country. In those days, many people gathered around this flower cross every day. They replaced the withering flowers and leaves with fresh ones, and the cross seemed never to wither. However, this cross has now faded from people's memory.

In May this year after a 4-year search, the Polish authorities eventually arrested Bujak, leader of the underground Solidarity trade union leading organ -- the "National Coordination Committee," -- and then released him in an amnesty in September.

The fact that the flower cross has faded from people's memory, and that all political prisoners have been released, is like two clear drops of water, reflecting from different aspects the calmness of the political ocean in Poland.

In August and September 1980, there were huge waves on the Poland's political ocean. The economic policy pursued by Polish leader Gierek in the 1970's brought the country to a serious economic crisis. In August, the biggest workers movement in the postwar years emerged. The Solidarity trade union, which was independent from the existing trade union organizations, had a membership of nearly 10 million people within just a few months. Some leaders of the Solidarity trade union openly declared that they would seize political power. In view of the political crisis and social unrest, the Polish authorities could not but impose military control over the whole country in December 1981 and banned the Solidarity trade union. However, a "crisis of confidence" permeated through the country. Many members of the Polish United Workers Party [PZPR] and the Socialist Youth League gave up their party and league membership. From December 1980 to December 1983, the number of party members decreased from 3.09 to 2.19 million people; and the number of league members decreased from 1.99 to 1.5 million people.

In order to change the difficult situation, the Polish authorities began to pursue a new socialist line after imposing military control over the country, by improving the political structure and carrying out economic reforms so as to win the people's support and gradually stabilize politically. Thus, the national economy began to rehabilitate and develop.

After summing up the experiences and lessons in the crises since the end of the war, Polish party leaders began to take a series of measures such as bringing the role of socialist democracy into play, improving leadership, and promoting understanding between the country's nationalities.

Polish party leaders readjusted the Central Political Bureau and local leading groups, dismissed those who had a strong prejudice in favor of the Solidarity trade union, and removed obstacles to the exercising of a new reform line. Since the enforcement of military command, the position and work forms of trade unions have become entirely different from those during the period before the crises. The party and the government consult with trade unions on major problems concerning the interests of the workers. The party spreads its influence by encouraging its party members in trade unions at various levels to do their work well. It has also set up public opinion investigation centers to conduct public opinion polls on major problems. These centers regularly announce the results of the polls they conduct so as to enable leaders to be aware of the people's feelings and to draw up policies. On the policy toward cadres, the party pays attention to appointing people according to their morality and talents. In addition, it has also organized a patriotic movement for national rebirth aimed at uniting people from all walks of life. The role of the assembly, the United Peasants' Party, and the Democratic Party has strengthened. Moreover, the number and rights of government departments have been reduced and their work methods improved. The number of administrative personnel at the central level has been reduced by one fourth. Constitutional and state courts have been established and measures have been taken to strengthen supreme courts and supreme procuratorates.

As a result of several years' arduous efforts and gradual economic recovery, the "crisis of confidence" has been eased. The trend of declining party and Youth League membership began to be reversed in 1985. Last year the party had a total of 63,000 new members, half of them being under 29 years of age. Meanwhile the Youth League membership increased by 16,000. Not long ago, when meeting with a group of Chinese reporters, Polish Government spokesman Urban revealed that the membership of the new trade union had exceeded 5 million, 60 percent of them being former members of the Solidarity trade union. Having experienced the 1980 strike movement, people now generally do not favor turbulence and are looking forward to stability and construction. In consequence, the situation is tending to stabilize in the country and the influence of the Solidarity trade union is declining. The underground Solidarity trade union failed in its repeated attempts to appeal for strikes and demonstrations last year.

The 10th National Congress of the PZPR adopted a decision to push the country's economic reform further forward into the second stage. In order to oppose bureaucracy and defeat all attempts to sabotage the reform and return to the old ways, the second stage of the reform will "start from the reform of the central state administrative organizations." The 10th PZPR Congress demanded that all superstructure organs from the central to local levels, carry out a general examination of their organizational structures, eliminating duplicate organizations, cutting redundant executives, enhancing management efficiency, and expediting the economic reform. In addition, measures have also been adopted to further expand socialist democracy and promote social consultation. All these reformatory measures have already produced positive effects.

As pointed out by PZPR Central Committee First Secretary Jaruzelski after the 10th PZPR National Congress: The socialist reform is irreversible in Poland, and its targets can be fulfilled although "we face a difficult path ahead." Poland is now heading for greater stability, recovery, and development in all fields.

LI PENG BEGINS TOUR OF 3 AFRICAN COUNTRIES

Departs 26 Sep

OW260120 Beijing XINHUA in English 1712 GMT 26 Sep 86

[Text] Beijing, September 26 (XINHUA) -- Chinese Vice-Premier Li Peng left here this evening to attend the celebration ceremony for the 20th anniversary of the independence of the Republic of Botswana, and to pay an official, friendly visit to the Republic of Cote d'Ivoire and the Republic of Ghana at the invitation of the governments of three countries.

On his way back home, Li Peng will visit the Aswan Dam in Egypt upon invitation.

Arrives in Botswana

OW281944 Beijing XINHUA in English 1918 28 Sep 86

[Text] Gaborone, September 8 (XINHUA) -- Chinese Vice Premier Li Peng arrived here this afternoon as the Chinese Government's special envoy to the celebrations of Botswana's 20th anniversary of independence.

Li Peng, accompanied by Vice Foreign Minister Qi Huaiyuan and Vice Minister of Foreign Economic Relations and Trade Lu Xuejian, was met at the airport by Botswana Vice President Peter Mmusi and other officials.

During his three-day stay in Botswana, Li Peng, the highest Chinese official ever to visit Botswana, will meet with President Quett Masire and hold talks on economic cooperation with Vice President and Minister of Finance and Development Planning Peter Mmusi.

China and Botswana have enjoyed cordial relations since the two countries established diplomatic relations in 1975. Leaders of the two countries exchanged visits frequently. The late Botswana President Seretse Khama visited China in 1976, and President Masire visited China in 1980 and 1983.

The Chinese Government sent a delegation to Botswana in 1976 when the country celebrated its 10th anniversary of independence. A Chinese medical team, an agricultural team and a railway team are now working in Botswana.

Meets Botswana's President

OW291917 Beijing XINHUA in English 1606 GMT 29 Sep 86

[Text] Gaborone, September 29 (XINHUA) -- Botswana President Quett Masire met Li Peng, Chinese vice-premier and special envoy of the Chinese Government, and his party here this morning for talks on bilateral relations.

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During the one-hour meeting, Masire expressed his satisfaction with the existing good ties between the two countries and expected such relations to be developed further. The two countries established diplomatic relations in 1975.

The two leaders exchanged views on the current world affairs and on matters of mutual interest. Both sides said they shared the same views in many respects.

On the problem of Afghanistan and Kampuchea, Masire and Li pointed out that they should be solved by their own people and without any external interference.

Li Peng spoke highly of the achievements the Botswana people and government have made in the past 20 years and appreciated the domestic and foreign policies pursued by the Botswana Government.

The Chinese vice-premier reiterated the support for Botswana and all the southern African countries in their struggle against the apartheid system in South Africa.

Li Peng arrived here Sunday afternoon as the Chinese Government's special envoy to the celebrations of Botswana's 20th anniversary of independence.

Trade Agreement Signed

OW291923 Beijing XINHUA in English 1623 GMT 29 Sep 86

[Text] Gaborone, September 29 (XINHUA) -- China and Botswana signed a trade agreement here this morning.

Under the agreement, the two countries will grant each other the most favoured nation treatment in customs duty and all other duties and taxes applicable to the importation, exportation or transition of commodities.

The agreement was signed by Botswana Minister of Commerce and Industry Moutakgola P.K. Nwako and Chinese Deputy Minister of Foreign Economic Relations and Trade Lu Xuejian on behalf of their respective governments.

According to the agreement, the two governments will also encourage and facilitate the exchange of trade information or visits of trade missions and participation in trade fairs and exhibitions.

Nwako said after the signing ceremony that this agreement will increase the relations and mutual understanding between the two countries.

Li Meets Vice President

OW011813 Beijing XINHUA in English 1604 GMT 1 Oct 86

[Text] Gaborone, October 1 (XINHUA) -- Visiting Chinese Vice Premier and Special Envoy of the Chinese Government Li Peng held friendly talks with Botswana Vice President and Minister of Finance and Development Planning Peter Mmusi here this morning.

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During their one-hour talks, Li Peng praised the economic achievements made by the Botswana people and government.

Li Peng reiterated China's support for Botswana and other frontline countries in their struggle against apartheid in South Africa. He said China will always stand on the side of Botswana and all the other frontline countries.

Mmusi briefed Li Peng on the economic situation and policies of Botswana, and expressed his gratitude to the guests for China's assistance.

Concerning Botswana's stand on sanctions against South Africa, he said Botswana is not in a position to impose sanctions against South Africa, but Botswana will not oppose or interfere with those who have the ability to do so. "If sanction is the only way to end apartheid, why does it not come?" he added.

Both sides also expressed desire for further development of friendship and cooperation between the two countries.

Economic Agreements Signed

OW011820 Beijing XINHUA in English 1616 GMT 1 Oct 86

[Text] Gaborone, October 1 (XINHUA) -- Four economic cooperation documents between China and Botswana were signed here this morning.

The four documents were signed by visiting Chinese Vice-Premier Li Peng and Botswana Vice-President Peter Mmusi on behalf of their respective government.

The four documents are new agreement on economic and technical co-operation, a protocol on renewal of the railway line project, an agreement on Chinese aid of farm machines and an agreement on the moratorium of a Chinese loan.

Under these documents, China will help Botswana renew the 85-kilometer railway line from Francistown up to the border with Zimbabwe, provide a batch of agricultural machines including spare parts, and give a new interest-free loan to Botswana.

China also agreed that the utilization period of the loan provided under the agreement on economic and technical cooperation between China and Botswana signed on August 8, 1976, will be extended for five years to December 31, 1991.

Leaves for Ivory Coast

OW011825 Beijing XINHUA in English 1701 GMT 1 Oct 86

[Text] Gaborone, October 1 (XINHUA) -- Chinese Vice-Premier Li Peng left here for Ivory Coast this afternoon at the end of a three-day visit to Botswana.

During his stay here, Li Peng held talks with Botswana President Quett Masire and Vice-President Peter Mmusi on bilateral relations and exchanged views on current world affairs and matters of mutual interest.

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This morning, he called on visiting Zambian President Kenneth Kaunda and former Tanzanian President Julius Nyerere. He also met with the U.S. special envoy, President Ronald Reagan's daughter Maureen Reagan Monday.

Li Peng, who arrived here on September 28 as special envoy of the Chinese Government, also attended the celebrations of Botswana's 20th anniversary of independence.

Arrives in Abidjan

OW011953 Beijing XINHUA in English 1944 GMT 1 Oct 86

[Text] Abidjan, October 1 (XINHUA) -- Chinese Vice Premier Li Peng arrived here this evening by special plane for a two-day official visit of friendship to the Ivory Coast at the invitation of its government.

LI XIANNIAN MEETS MALAGASY ASSEMBLY PRESIDENT

OW020926 Beijing XINHUA in English 0900 GMT 2 Oct 86

[Text] Beijing, October 2 (XINHUA) -- Chinese President Li Xiannian said here today that China hopes the leaders of the United States and the Soviet Union can, through meetings and talks, achieve some progress on such issues as disarmament, relaxation of international tensions and peace.

He said this during a meeting with Lucien Xavier Michel Andrianarahinjaka, president of the National People's Assembly of Madagascar.

They exchanged views on a wide range of subjects, including international issues of common concern and expansion of bilateral relations.

Li said the major tasks facing the present world are peace and construction. The people of all countries, including the U.S. and the Soviet Union, all hope for peace, he added.

China perseveres in opposing imperialism and hegemonism, and works hard to promote disarmament and safeguard world peace, Li said.

Li stressed that China always stands on the side of the Third World.

Andrianarahinjaka said Madagascar and China share common hopes on international issues.

He said his current visit aims at strengthening friendly relations between the two countries through the channel of their parliaments and getting a first-hand look at China's achievements in opening to the outside world and economic construction.

He conveyed Malagasy President Didier Ratsiraka's congratulations on the 37th anniversary of the founding of the People's Republic of China.

Li asked Andrianarahinjaka to send his regards to the Malagasy president.

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Li said there are two types of opening to the outside world. In 1840, the imperialists opened China's door with cannons, thus reducing China to the status of a semi-colony. This kind of "opening" remains fresh in the Chinese people's memory, he added.

The opening China is now carrying out is a conscientious and planned opening to the outside world, he said. Its relations with other countries are those of equality and mutual benefit. Such an opening is conducive to China's prosperity, he noted.

Li also briefed the visitor on China's experience and lessons in economic work over the past 37 years.

The Malagasy visitor said the socialism China is now building accords with China's practical and historical conditions and conforms to the world situation.

Earlier, the wife of the Chinese president, Lin Jiamei, met Ravaomalala Celestine, wife of the Malagasy assembly president.

XI ZHONGXUN ATTENDS KENYAN ENVOY'S FETE

OW291837 Beijing XINHUA in English 1642 GMT 29 Sep 86

[Text] Beijing, September 29 (XINHUA) -- Kenyan Ambassador to China Jeilan Habib gave a return banquet here tonight for the visit to China by the delegation of the Kenya African National Union.

Xi Zhongxun, member of the Political Bureau of the Chinese Communist Party Central Committee, attended the banquet.

Ambassador Habib thanked the Chinese side for the hospitality accorded to the delegation.

David Okiki Amayo, head of the delegation and the union's national chairman, said they felt satisfied with the visit and they have seen in Shanghai and Guangzhou how the hard-working Chinese people are building their homeland.

Xi Zhongxun said the delegation's visit has enhanced the mutual understanding and friendship of the two sides. He believed that with the increasing of visits between the two sides, their friendship and cooperative relations would be surely expanded.

ZHENG TUOBIN SIGNS CAMEROON COOPERATION TREATY

OW261207 Beijing XINHUA in English 1159 GMT 26 Sep 86

[Text] Beijing, September 26 (XINHUA) -- An agreement on establishing a mixed committee for cooperation between China and Cameroon was signed here today.

Zheng Tuobin, Chinese minister of foreign economic relations and trade and Jean-Baptiste Yonke, Cameroonian minister of agriculture, added their signature to the document.

The agreement sets the tasks for the mixed committee as promoting and coordinating the bilateral cooperation in the economic, technical and trade fields, and exploring ways for the cooperation.

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The committee will also examine the development of bilateral cooperative projects and suggest on ways to resolve problems that may arise in cooperation.

Zheng and Yonke also exchanged letters on China's sending a group to Cameroon to study the feasibility of growing vegetables and mushrooms there and supplying Cameroon with agricultural machinery.

IRAN, OTHERS CONTACT PRC FOR SATELLITE LAUNCHES

OW302000 Beijing XINHUA in English 1544 GMT 30 Sep 86

[Text] Beijing, Sept 30 (XINHUA) -- Seventeen foreign companies have contacted with China on the use of its rocket to launch their satellites. This was disclosed by Wu Keli, deputy general manager of China's Great Wall Industrial Corporation, on this afternoon's Sino-foreign press conference.

The Great Wall Industrial Corporation provides a central channel for the Chinese Astronautic Ministry's foreign economic and trade cooperation. The corporation is solely responsible for the launching of foreign satellites with China's Long March III carrier rocket.

Wu Keli disclosed that his corporation has signed agreements with two American companies and one Swedish corporation on the reservation of satellite launching, and also signed a letter of intent with Iran. He said that two foreign satellites are expected to be launched not later than March in 1988.

The deputy general manager said, the Chinese side will ask the customs to favour the foreign satellites free of inspection. Foreign companies can also convoy their satellites to the launching site with their own personnel, whose safety and work will be ensured together with their satellites by the Chinese guards.

A Chinese official denied the rumour carried by foreign press that China will examine the technical functions of the foreign satellites. "We only insure the launching as its process is nothing of technical import," said Li Qiang, vice president of the People's Insurance Company of China. He said, "We provide insurance because we are fully confident of Long March III carrier rocket." "We are able to manufacture satellites we need. For the time being, we have no intention of buying satellites," said the deputy general manager of the Great Wall Industrial Corporation.

IRAQI, ALGERIAN ENVOYS PRESENT CREDENTIALS

OW261005 Beijing XINHUA in English 0755 GMT 26 Sep 86

[Text] Beijing, September 26 (XINHUA) -- New Iraqi Ambassador to China, Muhammad Amin Ahmad al-Jaff, and new Algerian Ambassador to China, Nouredine Khelladi, presented their credentials to Chinese Vice-President Ulanhu on separate occasions here today. Present on the occasion was Qi Huaiyuan, Chinese assistant foreign minister. The Iraqi diplomat arrived in Beijing on September 18 while the Algerian diplomat September 19.

TV SPECIAL COVERS NPC COMMITTEE SESSION

OW010900 [Editorial Report] Beijing Television Service in Mandarin at 1135 GMT on 26 September begins a 55-minute "special program," entitled "An On-the-spot Report of the 17th Session of the 6th NPC Standing Committee," on the session held in Beijing from 27 August to 5 September 1986. The documentary tape, shown immediately after the regular 35-minute newscast, focuses on the session's debate on the draft bankruptcy law, and shows NPC Standing Committee Chairman Peng Zhen and Committee Vice Chairmen Geng Biao and Peng Chong speaking with Central Television Station reporters in separate undated interviews on the aforementioned debate and on legislative work.

Taped program begins with medium shots of unidentified street scenes in Beijing. This is followed by shots of unidentified NPC Standing Committee members arriving at a conference hall. Then, there are tape captions summarizing the 27 August-5 September work schedule of the 17th Session of the 6th NPC Standing Committee.

The following segments are then shown:

During the first segment, lasting 22.5 minutes, which shows an undated debate on the draft bankruptcy law, 10 speakers are seen and heard pointing out various shortcomings in the law, such as the lack of company and factory laws and the lack of management power for factory directors, while 4 speakers are seen and heard making favorable comments on the draft bankruptcy law. The 10 speakers citing shortcomings in the law are (in order of appearance): NPC Standing Committee Members Gu Dachun and Yang Keping, Hunan Provincial People's Congress Standing Committee Vice Chairman Huang Daoqi, NPC Standing Committee member Zhang Ruiying, Guizhou Provincial People's Congress Standing Committee Vice Chairman Zhou Yansong, NPC Standing Committee Vice Chairman Rong Yiren, and NPC Standing Committee members Duan Suquan, Han Zheyi, Yang Ligong, and Mo Wenhua. The four speakers who endorse the law are (in order of appearance): NPC Standing Committee members Li Gui, Xu Dixin, He Ying, and Cao Yu. The following NPC Standing Committee vice chairmen are shown (in order of appearance) attending the debate: Chen Pixian, Geng Biao, Peng Chong, Zhu Xuefan, Ngapoi Ngawang Jigme, Seypidin Aizezi, Zhou Gucheng, Yan Jici, Liao Hansheng, and Huang Hua. NPC Standing Committee Secretary General Wang Hanbin is also shown attending the debate. This segment lasts 22.5 minutes.

The second segment, which lasts 1.5 minutes, shows NPC Standing Committee Vice Chairmen Rong Yiren and Peng Chong speaking with several unidentified Standing Committee members during an undated recess of the 17th session.

The third segment, lasting 4 minutes, shows NPC Standing Committee Vice Chairman Geng Biao praising the aforementioned debate as "giving full play to democracy," in an interview with a Central Television Station reporter during an undated recess. Geng Biao is also seen and heard saying that the draft bankruptcy law must be handled with "great care."

The fourth segment, which lasts 7.5 minutes, shows NPC Standing Committee members He Ying, Yang Keping, Cao Yu, and Zhang Zhen discussing, during an undated meeting of the session, the importance of promoting various reforms and the importance of having a copyright law. NPC Standing Committee Vice Chairmen Peng Chong, Chen Pixian, Geng Biao, and Zhu Xuefan are shown attending the meeting. Supreme People's Court President Zheng Tianxiang and Supreme People's Procurator General Yang Yichen, although neither mentioned by the announcer nor identified by captions, are seen attending the meeting.

The fifth segment, which lasts 1.5 minutes, shows NPC Standing Committee Vice Chairman Peng Chong praising the aforementioned debate as "giving full play to democracy," in an interview with a Central Television Station reporter, held in the presence of NPC Standing Committee Vice Chairman Geng Biao, during an undated recess.

The sixth segment, which lasts 3.5 minutes, shows NPC Standing Committee Vice Chairman Peng Chong, in a speech at an undated meeting, praising the aforementioned debate and announcing the 17th session's decision not to take a vote on the draft bankruptcy law. NPC Standing Committee Vice Chairman Chen Pixian and committee Secretary General Wang Hanbin are shown attending the meeting.

The seventh segment, which lasts 4.5 minutes, shows NPC Standing Committee Chairman Peng Zhen praising committee members for "adopting a practical and realistic approach to various issues" during his speech at an undated meeting of the 17th session. The program shows the following NPC Standing Committee Vice Chairman (in order of appearance) attending the meeting: Chen Pixian, Xu Deheng, Peng Chong, Ngapoi Ngawang Jigme, Zhou Gucheng, Rong Yiren, Liao Hansheng, Geng Biao, Zhu Xuefan, Seypidin, Yan Jici, and Huang Hua. Committee Secretary General Wang Hanbin is also seen attending the meeting. The tape also shows the regulations regarding the punishment of public security violators and the regulations regarding diplomatic privileges and immunities being voted through at the meeting.

The eighth segment, 8.5 minutes, the last segment of this documentary tape, shows NPC Standing Committee Chairman Peng Zhen discussing legislative work during an updated interview with a reporter of the Central Television Station.

CENTRAL TV STATION INTERVIEWS PENG ZHEN

OW290955 Beijing Television Service in Mandarin 1135 GMT 26 Sep 86

[Interview with NPC Standing Committee Chairman Peng Zhen by an unidentified reporter of the Central Television Station; date and place not given -- recorded]

[Text] [Reporter] Chairman Peng Zhen, our station wants to use this interview to introduce our viewers to the day-to-day legislative work of the NPC Standing Committee. This is an important aspect of publicizing our country's efforts to strengthen democracy and the legal system. Chairman Peng Zhen, would you please say a few words to our viewers.

[Peng Zhen] You mean about legislative work?

[Reporter] Yes.

[Peng Zhen] Enacting legislation is a more serious business than enforcing laws. First, we must be very familiar with the Constitution and laws. The Constitution is our fundamental law and all other laws must be based on it. Laws reflect the actual conditions and, at the same time, have a system of their own. They should not contradict one another. The law adopted today should not contradict the one adopted yesterday.

[Reporter] It requires a high degree of stability.

[Peng Zhen] That's right. For example, let's assume that a meeting adopts several laws, one dealing with public security, another dealing with the economy, and so on. If they contradict one another, how are you going to enforce them? Laws must have an integrated system of their own. Whatever law is adopted in the future in China should be in line with the Constitution. This is the first point. The second part is that they must have an understanding of the situation.

[Reporter — interrupting] Seeking truth from facts.

[Peng Zhen] That's right. Seeking truth from facts. Seeking truth from facts is a principle. The most important thing is to proceed from the actual conditions. If you do not have a systematic, comprehensive understanding of the situation, how can you legislate? The law, once enacted, is to be observed by one billion people. Everyone — whether he is a party member, cadre, worker, peasant, or intellectual, and irrespective of his nationality — must observe the law. If you do not have a comprehensive understanding of the situation, how can you legislate? Legislative work is a serious business. Enforcing laws is also a serious matter. If laws are not enforced, what is the use of having them? They would become mere scraps of paper, wouldn't they? Enacting legislation, first of all, should be a serious business. Therefore, legislators must not think that since they have legislative power, if they write a few articles, others must observe them. It is not right. They must be very...

[Reporter — interrupting] Cautious.

[Peng Zhen] Modest and prudent. By modest we mean listening to the opinions of all sectors. By prudence we mean that the law must conform to the actual conditions. Therefore, by seeking truth from facts, we mean the integration of the Constitution and the actual conditions. The interests of the masses are the fundamental interests of the overwhelming majority of people of all nationalities in our country. They are the common interests. There are also special partial interests. There is a general character as well as a specific character. This is the actual situation. Therefore, our laws should not be too rigid. We should not adopt a rigid law which disregards special local conditions. Our country has a total area of 9.6 million square kilometers extending from Jolmo Lungma to the seas and from the subtropics to the frigid zone. Economic, social, political, and cultural developments are so imbalanced. If you do not understand the national situation, how are you going to enact legislation? Therefore, legislators must have a comprehensive, systematic understanding of the situation. For example, as a member of the NPC Standing Committee, I have the right to speak at the Standing Committee. Since you have the right to speak and since you are a member of the NPC Standing Committee elected by the NPC, you should make sure that your remarks and opinions are in accordance with the needs of the people.

[Reporter] Chairman Peng Zhen, we understand that as a matter of fact, not every draft law submitted to the NPC Standing Committee for consideration is adopted after one examination, and that this is normal in the legislative procedure according to the Constitution and relevant laws.

[Peng Zhen] Not only is it often the case that a law cannot be adopted after one examination, but perhaps two, three, or five examinations are required it is adopted. Take the Constitution as an example. How many meetings did we hold? The first meeting officially formulated it. The second meeting lasted 9 days. Then there were the third and fourth meetings. Finally, it was submitted to a meeting for revision. Several dozens of revisions were made, including major revisions.

At the meeting, some deputies proposed that intellectuals be described as a separate group, especially in view of the discrimination against intellectuals during a certain period in the past, for example the period of the Cultural Revolution. For this reason, some deputies said at the meeting that there should be three forces: workers, peasants, and intellectuals. But they are not classes. This is...

[Reporter -- interrupting] So much the better. After careful revisions, our Constitution is regarded by the world as the best constitution of our country.

[Peng Zhen] I think it is not only the best constitution of our country, but in all countries of the world, it is also...

[Reporter -- interrupting] Comparatively good.

[Peng Zhen] It is not the best one, it should be one of the best. Anyway it is comparatively good.

[Reporter] Yes, yes, yes. Our country's legislative work has made considerable progress since the 3d Plenary Session of the 11th CPC Central Committee. Now people both at home and abroad say that we have entered a golden era of legislation and have done a great deal of work in this respect.

[Peng Zhen] I am not clear as to whether it is a golden or a silver period. [laughter] All in all, our legislative work now has a foundation. Generally speaking, we have the foundation of the legal system, the foundation of laws, and also the basic laws. We have to continue our efforts, however, because there are many more laws which we have to formulate. With the reforms of our economic structure and political system, now questions are, of course, expected to arise in the course of reforms. You should formulate laws in accordance with the changing situation. So the legislative responsibility is very heavy. The question is very simple. According to Marxism, the development of productive forces determines the relations of production, which, in turn, determines the superstructure. With the development of productive forces, the relations of production should be changed, and consequently so should the superstructure. If you do not change them, you cannot meet the developmental needs of productive forces. No matter what tortuous paths we have traversed since our People's Republic was founded, we have made considerable progress in all fields, including the economic, political, and cultural fields. We have an independent industrial system and an independent economic system. This means we have made great developments. How can you still use the previous methods? With the development of productive forces, the economic system should be reformed. This is also true of the political system and all other components of the superstructure. As to whether we are in a golden era, I cannot say with certainty. To sum up, we have only a foundation for laws, and in the days to come, the legislative task will be very heavy.

[Reporter] Our respectable chairman, thank you for granting us this interview.

NPC LEADERS VIEW SPIRITUAL CIVILIZATION GUIDANCE

OW010121 Beijing XINHUA Domestic Service in Chinese 1436 GMT 30 Sep 86

[Text] Beijing, 30 Sep (XINHUA) -- Members of the NPC Standing Committee and various NPC special committees and cadres of various organs under the NPC Standing Committee in Beijing held a meeting at the Great Hall of the People this morning to disseminate the guidelines set by the 6th Plenary Session of the 12th CPC Central Committee and made arrangements to study and discuss the CPC Central Committee resolution on the guiding principles for building a socialist spiritual civilization.

Peng Zhen, chairman of the NPC Standing Committee, attended and addressed the meeting.

This meeting was held on the basis of a decision made at the NPC Standing Committee chairmanship meeting convened yesterday afternoon.

At the meeting NPC Standing Committee Vice Chairman Chen Pixian reported on the situation at the 6th Plenary Session of the 12th CPC Central Committee and the main points of the resolution of the CPC Central Committee on the guiding principles for building a socialist spiritual civilization. He said: CPC Central Committee members attending the 6th Plenary Session of the 12th CPC Central Committee and members of the Central Advisory Commission and the Central Discipline Inspection Commission who attended the session as observers held that this resolution not only embodied and carried forward the guidelines laid down by the 12th national party congress and summed up fresh experience gained since the congress, but also summed up the experiences over the 30-odd years since the founding of the nation.

Chen Pixian said: If we fail to fully realize the pressing need and protracted nature of strengthening the building of socialist spiritual civilization, we may adversely affect the overall situation. This resolution provides clear and definite answers to some major issues of fundamental importance. It will definitely wield a tremendous and profound influence on reaching a common understanding in the party, promoting the building of the two civilizations, promoting all-round reform and the implementation of the policy of opening the country to the outside world, and building socialism with Chinese characteristics.

Chen Pixian said: To earnestly study the document is an important task at present. In studying the document, we should sum up our experience and find out where we had not done enough study, so that we can raise our ideological level and improve our work.

NPC Standing Committee Chairman Peng Zhen delivered a speech at the meeting. He said: The spiritual civilization we talk about is a socialist one. Strengthening the construction of socialist spiritual civilization is an important issue that our party now needs to settle. This is also an important issue that our state and people of all nationalities need to solve. How can we settle this issue? The resolution adopted by the 6th Plenary Session of the 12 CPC Central Committee put forward the guiding principles. The contents of the resolution are in keeping with the spirit of the Constitution. The aim of both our party and state organs is to wholeheartedly serve the people. Therefore, we must consider problems and make decisions on the basis of the objective laws governing the development of history and in the best interest of the overwhelming majority of the people of all nationalities throughout the country. We, members of the NPC Standing Committee and various NPC special committees and staffs of the various organs under the NPC Standing Committee, must earnestly study and discuss the document. First of all, we must clearly understand the guiding principle for building a socialist spiritual civilization. Once we have done so it will be easier for us to solve specific problems. Reaching a common understanding on strengthening the construction of a socialist spiritual civilization will be greatly conducive to our work.

The meeting was presided over by NPC Standing Committee Vice Chairman Geng Biao. Also present at the meeting were Vice Chairmen of the NPC Standing Committee Peng Chong, Wang Renzhong, Zhu Xuefan, Ngapoi Ngawang Jigme, Seypidin Aizezi, Zhou Gucheng, Yan Jici, and Chu Tunan.

MILITARY COMMISSION DISCUSSES CPC RESOLUTION

OW010357 Beijing XINHUA Domestic Service in Chinese 1657 GMT 30 Sep 86

[Text] Beijing, 30 Sep (XINHUA) -- The CPC Central Committee Central Military Commission convened a meeting of responsible comrades of major army units on 29 September to discuss and to study and implement the spirit of the 6th Plenary Session of the 12th CPC Central Committee. The meeting affirmed that the study and implementation of the "Resolution of the CPC Central Committee on the Guiding Principles for Building a Socialist Spiritual Civilization" are major tasks for the whole Army in the present period, as well as in the future.

Yang Shangkun, permanent vice chairman of the CPC Central Committee Central Military Commission, presided over the meeting. Yu Qiuli, director of the PLA General Political Department, reported on the study and implementation of the spirit of the 6th Plenary Session of the 12th CPC Central Committee. Yang Dezhi, chief of the PLA General Staff, and Hong Xuezhi, director of the PLA General Logistics Department, attended the meeting.

In his report Yu Qiuli said that the resolution adopted at the 6th Plenary Session of the 12th CPC Central Committee further defined the strategic position of building of spiritual civilization and the direction and goal of the struggle for this. It will certainly and greatly promote the nation's building of socialist spiritual civilization and have a far-reaching influence on the development of modernization as a whole. The resolution gave high marks to our army's fostering spiritual civilization and simultaneously called on us to make fresh efforts. Comrades in the whole Army should link thinking with practical work and seriously study and unwaveringly implement the resolution. Practical results should be stressed in studying the resolution. We should avoid formalism, let alone study in perfunctory and superficial ways. Through study we should further define the strategic significance, principle, and tasks of building spiritual civilization and define the demands that the resolution made on the party members, cadres, and the masses and the responsibility of the army and individual.

Yu Qiuli offered five suggestions regarding the Army's implementation of the spirit of the 6th Plenary Session of the 12th CPC Central Committee, strengthening of ideological and political work, and building spiritual civilization: First, we should step up the theoretical study of Marxism, giving full play to the guiding role of Marxism in building spiritual civilization. Second, we should conduct in-depth education on ideals and ethics, in order to raise ideological awareness and moral standard among cadres and fighters. The great discussion on the correct handling of soldiers' gains and losses now underway in the Army is a kind of vivid and practical way to conduct education on ideals and ethics and building spiritual civilization in the army. Third, we should persist in managing the Army with strictness and stepping up disciplinary and legal education in the army. Strengthening the disciplinary and legal system and enhancing the conception of law and discipline in the minds of cadres and fighters should be treated as important issues in the Army's building of spiritual civilization. Fourth, we should strengthen cultural construction in the army, raising scientific and cultural quality among cadres and fighters. Fifth, we should further carry on joint army-people activities in building spiritual civilization, actively taking part in the nation's building of spiritual civilization and further strengthening relations between the army and the government and the Army and the people.

Yang Shangkun pointed out: In order to study the resolution well we should stress raising the comprehension level, unifying thinking, and deepening understanding of the resolution. There is no rush to solve concrete issues.

Attention should be paid to social trends and reflections thereof in the Army when studying and implementing the resolution. We should, through studying the resolution, have a better understanding of the party's line, principle, and policy adopted since the 3rd Plenary Session of the 11th CPC Central Committee and consciously uphold the four cardinal principles.

TA KUNG PAO WELCOMES CPC PLENARY RESOLUTION

HK020444 Hong Kong TA KUNG PAO in English 2-8 Oct 86 p 2

[From the "The Past Week" column: "CPC Plenum"]

[Text] After scoring impressive achievements in the eight years since it was launched, it became evident this summer that further progress in China's economic reform would be difficult without an overhaul of the country's political system.

The past week saw a third thrust to expedite the country's ambitious modernization drive, namely, a national effort to consolidate and boost socialist consciousness.

The chief task of this effort, called 'building the spiritual civilization of socialism' in contemporary Chinese political parlance, is no less than undertaking to educate the world's largest population into cultured and law-abiding citizens with fine ideals and morality. Of special importance in this broad outline of objectives is the moral ingredient and a higher level of cultural and scientific pursuits.

It can be seen that since a new leaf was turned in the modern history of China following the watershed 3d Plenum of the CPC's 11th Central Committee held towards the end of 1978, the national priority has been set on invigorating the stilted and backward economy. The goals set so far have concentrated on the material side of the national life such as quadrupling the country's per-capita income by the end of the present century, and quadrupling this figure (U.S. \$1,000) again to U.S. \$4,000 during the first 50 years of the next century.

The call to boost the 'spiritual civilization of socialism' embraces a wide spectrum of non-economic endeavours such as education, science, culture, health and sanitation, as well as sports and physical education.

As Beijing sees it, the pursuit of these endeavours will have a far-reaching effect on the socialist modernization program. The gains in many areas have not allayed fears raised by accompanying problems such as corruption, abuse of power, and criminal offences unheard of since the founding of the PRC.

The higher moral and intellectual standards will also clear the way for the coming political reform which, in all probability, will be dealt with at the largest-ever 13th Congress of the CPC scheduled for September next year.

STATE ECONOMIC COMMISSION URGES MORE PRODUCTION

OW220822 Beijing XINHUA in English 0711 GMT 22 Sep 86

[Text] Beijing, September 22 (XINHUA) -- Disappointed because the economy's performance has not met projections this year China's State Economic Commission has urged municipalities and government departments to help local industries during the last quarter of 1986.

An official of the commission said China's industrial output has risen steadily this year but the general situation has not met expectations.

The official said in order to get better year end results planning for the last quarter must begin now.

The State Economic Commission has worked out an overall production plan with industries involved in machine building, consumer production, textiles and the commercial ministries over the last few days.

"To make an improvement in industrial production," the official said, "the key is to rearrange the product mix in line with market needs. We also must invigorate sales while continuously improving our products' quality and reducing material costs."

Municipalities and government departments have been urged to aid the production of more than 100 products that are much in demand. A list of these products was developed by the commission.

According to the official, the municipal government of Shanghai has helped industrial output by allocating 20 million yuan for the production of more than 1,000 products that are in short supply. Tianjin, a leading port city in north China, will help to expand production of more than 200 different products.

RENMIN RIBAO REPORTS DROP IN PRIVATE ENTERPRISES

HK2912378 Beijing RENMIN RIBAO in Chinese 27 Sep 86 p 2

[Report by Jia Ruiling (6328 3843 3781): "Why Is the Number of Private Industrial and Commercial Enterprises on the Decrease?"]

[Text] At a preparatory meeting for the organization of a national individual laborers association which concluded not long ago, the participants focused their attention on this information: In the first half of this year, the number of individual industrial and commercial households dropped by 360,000, totaling 460,000 people, from their number at the end of last year. It has been reported that apart from the rational readjustment of individual industrial and commercial enterprises, the decrease has been due to the following main reasons:

First, these individual industrial and commercial households have found it difficult to look for the necessary raw materials and operational markets, apart from being seriously short of funds. Take Hohhot City in Nei Monggol as an example. Due to the dissolving of 3 large markets in the last 3 years, some 700 licensed individual households have been unable to continue their operations.

Second, too many fines and deductions have added to the burden of private enterprises. Influenced by old ideas, many people have prejudices against those engaged in private commerce, and in some localities their legal rights and interests are not ensured. In some regions, individual industrial and commercial households must pay 17 to 18 types of fees. This has added to their burden.

Third, overly strict and rigid limitations have been imposed on the commencement of individual industrial and commercial households. Some provinces have even demanded these households not commence business until they have refrigerators and storehouses.

The participants maintained that the relevant departments should pay attention to this situation and find appropriate methods to solve the problems so as to promote the healthy development of individual industrial and commercial households.

DESIGNATED INDUSTRIES TO SERVE AS EXPORT CENTERS

HK010534 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 24 Sep 86 p 3

[By Xiao Da]

[Text] China has designated 96 of its most technically advanced industries as centres for manufacture of export-oriented mechanical and electrical products.

These industries have been authorized to hold direct business talks with foreign companies, sign contracts, set prices and decide how to use the foreign currency they earn.

They will also have State support through low-interest loans and access to advanced technology.

Given such preferential treatment, these industries hope to produce high-standard products suitable to international market demand.

In addition, 261 other industries have also been granted power to determine prices and production management.

The Mechanical and Electrical Productions Export Office of the State Council has been set up to conduct planning and overall management of the new export centres.

A senior official of the office said China's exports of mechanical and electrical products had been very small in quantity in recent years. In 1985, they totalled only about \$1.7 billion, 6 percent of China total exports.

Proposed products for export mainly include machine tools, electrical machinery, manufactured metal products, transport and telecommunications equipment.

At present, export flows chiefly to Southeast Asia and Third World countries. However, China is now aiming at markets in Western Europe and North America.

"We are now seeking to open up these new markets and use advertisements to attract buyers, instead of merely waiting for orders," said the official. "We are establishing world-wide selling, service and business information networks."

Establishing sino-foreign joint ventures has long been a goal of State-authorized industrial centres, yet problems -- such as shortages of raw materials, energy and water -- have hindered success. Poor transport communications and foreign currency difficulties are also unfavourable of the foreign investor.

According to the official, the State Council is going to set up another office to handle these problems.

INTERVIEW WITH LIU HONGRU OF PEOPLE'S BANK

HK010905 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 38, 22 Sep 86 pp 7-8

["Feature" by LIAOWANG reporter Zhu Minzhi (2612 2404 0037): "Liu Hongru, Vice President of People's Bank of China, Tells How China Pushes Reform of the Financial System"]

[Excerpts] Editor's note: What is China's financial situation? What reforms will be carried out in the near future? These are questions attracting peoples attention both at home and abroad. Our journal now carries a special report on this subject.

Some initial results have been achieved in China's reform of the financial system, which started some 7 years ago, but it is still not as good as people expected. How do we solve problems such as the inflexible macro financial control, the vertical allocation of funds, which is obstructing our economic development, and the low returns in using funds? Premier Zhao Ziyang has expressed China's intention of speeding up reform of the financial system, and the People's Bank of China has suggested a plan for the reform in the next 5 years. During the next 2 years, China will chiefly grasp the following: Setting up a financial market, promoting the process of running professional banks as enterprises, and improving macro financial control. Recently, China has been making great efforts to develop inter-bank loans and establish a discount market so as to guide its financial business onto the correct path.

Reform of the foreign exchange system will be a long-term task for China in the financial reform. There are already some tentative ideas for the next 2 years, such as enlivening and gradually opening the foreign exchange market, establishing a foreign exchange reserve fund, and strengthening foreign debt control.

On the mainland, the first stock market was opened in Shenyang. Its emergence has aroused a lot of attention in economic circles. [end editor's note]

Recently, this reporter had an interview with Liu Hongru, vice president of the People's Bank of China and vice chairman of its council. When answering questions raised by this reporter, the economist made an analysis of China's financial situation and talked about the next step China will take in the reform. There were many new things in what he said.

Liu Hongru studied economics in Moscow University in the 1950s and received an associate doctoral degree. Having been involved in financial work for more than 30 years, he is familiar with the financial systems of the Soviet Union and East European countries and has a sound knowledge about those of Western countries. He has made positive efforts both in the theoretical field and in practice to push forward China's reform of the financial system.

The Process and Problems of Reform [subhead]

Liu Hongru said: The reform of the financial system started in 1979, following the development of China's commodity economy. The reform began with extending the range of credit and improving the management of funds.

Restrictions on extending credit were lifted for more units, the unitary form of bank credit was changed, and commercial credit and credit for consumption purposes were extended on a trial basis; the foreign exchange management system was reformed, and external financial business expanded; the internal insurance business was restored, and an insurance indemnity system was established. With respect to financial organizations, four professional banks as well as other financial organizations, such as credit and investment companies and credit cooperatives, were established and developed step by step. At the same time, a central banking system was established, under which the People's Bank of China performs the function of the central bank, leading and managing the financial affairs of the whole country. Liu Hongru held that these measures played an important role in enlivening the economy and promoting China's economic development and opening up to the outside world. [passage omitted]

General Plan for Reform in the Seventh 5-Year Plan Has Been Worked Out [subhead]

When asked about the general demands and target of reform of the financial system during the Seventh 5-Year Plan, Liu Hongru emphasized: Reform of the financial system during this period is a very important part of reform of the entire economic structure. This is because China's economy is turning from the pattern of direct control into that of indirect control, and finance is one of the most important and most effective means of indirect control, which will naturally play an extremely important role in developing the socialist commodity economy. Therefore, the Seventh 5-Year Plan will be a key one for China's financial development. [passage omitted]

The Reforms To Be Carried Out in the Next 2 Years [subhead]

What are the concrete plans for financial reform in the next 2 years according to the general demand on reform of the financial system during the period of the Seventh 5-Year Plan, and what is the main task? Liu Hongru was asked to say something about this.

He said: There is much to be done in carrying out reform of the financial system and we must do it in order of importance and step by step. The main task for the next 2 years is to further promote the financial reform by running the professional banks as we run enterprises and improving macro financial regulation and control in the new financial market.

On the question of further perfecting the macro financial control system in the next 2 years, Liu Hongru said: The macro control system of the central bank is the pillar of the macro financial management. It includes the objective of the monetary policy and the use of regulatory measures. Over the past 2 years or so, we have adopted some interim measures in this respect. For example, the central bank has changed its control of cash gradually into the control of both money supply and the general scope of credit so as to promote the transition of the macro financial control system into one of indirect regulation and control chiefly by means of controlling money supply. In future, the professional banks must try their best to absorb funds rather than relying on the central bank as in the past. The credit extended by the central bank to various professional banks is an important channel for controlling the money market. Since China's money market has just been opened and the mechanism of macro monetary control still cannot work effectively, administrative measures must continue to be used in macro regulation and control for the time being. Meanwhile, with the popularization of commercial bills, the proportion of issuing and withdrawing basic currencies through discount will also increase day by day; open market business will also gradually develop along with the establishment and development of the money market. They will occupy an important position in the control system of the central bank.

Liu Hongru continued: In the near future, efforts will also be made to further improve the system of interest rates. He said: Through the initial reform, this system has begun to play a regulatory role in this respect. Last year, the interest rate on savings deposits was raised twice, which played a positive role in promoting the constant growth of savings deposits and expanding monetary resources. But since China's current interest rate is still low, its role as a lever and its regulatory role in the monetary structure and industrial setup have not been fully exploited. [passage omitted]

A Money Market Is Being Established in China [subhead]

At present, people are showing great interest in the formation of China's money market. Liu Hongru once wrote an article to express his views on this question. This reporter asked him to say something about the People's Bank of China's plan on establishing the money market.

Liu Hongru said: In China, the main method of accommodation of funds is indirect accommodation (that is, accommodation through banks), which is supplemented by the method of direct accommodation (accommodation between enterprises). Both methods are inseparable from the money market, which is an important condition for perfecting the commodity market and the basis for macro monetary control. One of the main tasks for the current reform of the financial system is to gradually open the short-term money market.

How do we establish a money market with distinctive Chinese characteristics? What kind of money market can we begin to establish at present? Liu Hongru held that this is a complicated problem which needs to be further discussed. What we can start doing at present are the following two jobs: 1) Developing the business of inter-bank loans. In the near future, it will be necessary to promote the formation of the markets of inter-bank loans, commercial paper, and bonds. At present, in some key cities such as Wuhan, Shanghai, Shenyang, and Guangzhou, the business of inter-bank loans has been promoted and some bill exchange centers have been set up on a trial basis, which are playing very good roles in speeding up the circulation of funds and raising the efficiency of using funds. 2) Establishing the bill discount market. It will be necessary to vigorously promote the business of commercial paper and bank notes so that commercial and bank credit can be built on this basis. The professional banks will promote the bill discount business in an all-round way, and the central bank will promote the business of inter-bank discount business, so that the flow of funds among the banks, the enterprises, and between the banks and the enterprises can be based on bills and so that bill discount and mortgage can become the main forms of loan. At the same time, a second-class market will be established on a trial basis for the exchange and transfer of bills and will be gradually developed into a clearing market. [passage omitted]

In conclusion, Liu Hongru told the reporter that the Seventh 5-Year Plan has opened a new and arduous task for financial work. We will do our best to build up some funds and use them in a reasonable way so as to create a comparatively relaxed environment for our economic construction during the Seventh 5-Year Plan period and reform of the economic structure so as to ensure the smooth progress of our economic development.

NEW GRAIN HARVEST TO BE HIGHER THAN 1985

OW260120 Beijing XINHUA in English 1738 GMT 25 Sep 86

[Text] Beijing, September 25 (XINHUA) -- China's grain harvest this year will be higher than last year, and next only to the all-time high of 400 million tons in 1984.

Peasants have reaped good harvests of summer grains, mainly wheat, and early rice. Autumn grain crops, including late rice, maize and soy beans, are growing well in most parts of the country.

Chinese peasants have achieved an all-round good harvest this year by overcoming droughts in the south and flooding in the north, according to the Ministry of Agriculture, Animal Husbandry and Fisheries.

A ministry official said, "The country's output of cotton and sugar-gearing crops this year will be less than last year's, as a result of planned reduction in sown acreage."

But cultivation of such cash crops as oil-bearing crops, tea, ramie, melons, fruit and vegetables is growing rapidly. The state has limited production of jute, hemp and cured tobacco because they are now in excessive supply, and peasants will meet state quotas for these crops.

The official said that the good harvest is due largely to new government policies and measures to arouse peasant production initiative. For example, the country's grain-sown area this year is 1.33 million hectares more than last year.

SKILLED WORKERS PRAISED AS 'PEOPLE OF TALENT'

HK250123 Beijing RENMIN RILAO in Chinese 22 Sep 86 p 1

[Text] To show respect for knowledge and people of talent is a new manifestation in the social civilization gradually formed in our country over recent years. On this question, the majority of people in our country have a unified understanding. However, people still have different opinions on what kind of people should be considered as people of talent. One opinion holds that people of talent are intellectuals and experts; some people even think that people with academic qualifications, such as university, college and polytechnic school graduates, are considered as people of talent. Another opinion believes that people of talent are divided into several levels: The people with outstanding talent who can make great contributions to society; the intellectuals with real ability and learning; and the administrative cadres and skilled workers without university or college qualifications who have rich practical experience and a standard equivalent to that of a university or college qualification. In comparison, the second opinion is more comprehensive. At present, we should particularly stress the opinion that skilled workers are also people of talent.

Over the past few years, because of our negligence in training technical personnel, there has been a serious shortage of senior mechanics. Such a situation has already directly affected the quality of the workers' contingent and enterprises and hindered our economic development. Senior mechanics are an important technological force in enterprises and can play a role which cannot be replaced by ordinary technical personnel in highly difficult production and processing; in readjusting and repairing complex equipment; in analysing and solving production and technological problems; in preventing and eliminating the hidden danger of accidents; and other aspects.
[paragraph continues]

As far as the administration of production organizations is concerned, senior mechanics are not only advisers to the workshop heads and section chiefs, but also assistants to the engineers and technicians as well as teachers who give instructions to junior and intermediate technical personnel. Only by possessing excellent administrative and management personnel, competent engineers and technicians and well trained skilled workers, can an enterprise form a rational personnel structure and bring into full play the benefits of an entire collective intelligence.

In modern industries, skilled workers are intelligent workers doing both mental and physical labor. When showing respect to knowledge and people of talent, we should not only greatly value and develop the role of intellectuals, but should also equally value and develop the role of senior mechanics and skillful craftsmen. This should become one of our firm and unshakable policies.

A pressing current matter is to settle a series of questions for accelerating senior mechanics' training with relevant policies, systems, and measures. For example, if possible, we should establish a system for worker-technicians as soon as possible and an examination system should also be adopted to promote outstanding skilled workers to senior mechanics. Currently, many workers are engaged in in-service or part-time studies in order to obtain some sort of academic qualifications, such as a diploma or the like, so that in the future they will have a chance to escape from the workers' contingent. Once a system for worker-technicians is established, we will be able to guide the workers to study with the purpose of strengthening their own working ability in their practical work. At the same time, we should study and establish special channels to train senior mechanics, including the establishment of training centers in cities or production departments. After joining enterprises, workers will work under a set of complete examination and promotion systems and in-service education systems. Besides, the social status of skilled workers should also be raised and nationwide technical competitions should be organized. Winners of the technical competitions should be selected to take part in international technical competitions so that the whole society will recognize their skills and contributions, and a mood of showing respect to skilled workers will gradually be formed in the society.

RENMIN RIBAO COMMENDS CHONGWEN ON WORK ETHIC

HK260751 Beijing RENMIN RIBAO in Chinese 23 Sep 86 p 1

[Commentator's article: "Doing Something Occasionally and Doing Something Persistently"]

[Text] It is much easier to hold empty talks than to do solid things. It is relatively easy to do a couple of concrete things in a year or half a year. However, it is not easy at all to develop the practice of getting work accomplished a kind of work ethic, or maintain it for as long as 8 or 10 years, or pass it down from one term of office to another. The most praiseworthy point of the practice of the leading party and government organs of the Chongwen District of Beijing Municipality of doing concrete things for the residents is that they have been accomplishing things regularly rather than occasionally for many years and have turned this practice into a valuable tradition.

Our party always demands that the party organizations at all levels and the party-member cadres talk less and do more. This is by no means a casual demand but a principle determined by the party's proletarian quality as well as its aim of serving the people. Only when the party organizations at every level persist in accomplishing actual things for the people in a down-to-earth, cautious, and conscientious manner can they gain the trust and support of the people and do their work well.

Nevertheless, there is a real difference between "doing solid things occasionally" and "doing solid things persistently." Urged by a kind of momentary enthusiasm or the mentality of seeking popularity by doing something sensational and boosting the "achievements of their official career," at some opportune times (say, during a "particular" month or before a "particular" festival), some party organizations and cadres can promptly do several splendid things. However, it seems impossible for them to persist in doing good and real things for the people.

In promoting doing solid things for the people, we do not mean to promote making pretentious postures of courting publicity. Therefore, it is necessary for us to have "the spirit of willingly serving the young and weak" and really share "the common weal and woe with the masses," just like the comrades do in Chongwen District. With such a spirit, we can personally experience the sufferings of the masses and have a sense of urgency to do actual things for them, so as to keep doing these solid things and make it a prevailing custom.

LIAO MOSHA'S 'CONFESSIONS' TO BE PUBLISHED SOON

HK010823 Hong Kong ZHONGGUO XINWEN SHE in Chinese 1555 GMT 29 Sep 86

[Report: "Liao Mosha's 'Confessions' During the 'Cultural Revolution' Included in His Collected Works"]

[Text] Beijing, 29 Sep (ZHONGGUO XINWEN SHE) -- Liao Mosha's "Confessions" during the Cultural Revolution running to scores of thousands of characters, have been included in the four-volume "Collected Works of Liao Mosha," which will soon be published by the Beijing Publishing House.

Liao Mosha is the only survivor of the "Three-Family Village" [writers Deng Tuo, Wu Han, and Liao Mosha] ruthlessly persecuted by the Lin Biao and Jiang Qing cliques during the Great Cultural Revolution. Given under a general heading, "Random Notes by a Person Caught in a Trap," the 11 "confessions" fully demonstrate the special features of essays, with their narratives, comments, self-examinations, and self-defenses.

Written by a well-known essayist who suffered bitterly during the Cultural Revolution, these confessions make good reading. Their publication will provide the later generations with valuable historical material.

The most complete collected works of Liao Mosha to date, the "Collected Works of Liao Mosha" record the principal achievements of his writing career spanning 60 years.

YU QIULI ATTENDS LUO TAN'S MEMORIAL SERVICE

OW240620 Beijing XINHUA Domestic Service in Chinese 1207 GMT 22 Sep 86

[Excerpts] Beijing, 22 Sep (XINHUA) -- A ceremony was held this afternoon in the auditorium of the Babaoshan Cemetery for Revolutionaries to pay last respects to the remains of Comrade Luo Tan, an outstanding CPC member, vice minister of the former Sixth Ministry of Machine Building, and member of the ministry's leading party group.

Comrade Luo Tan died of illness on 31 August in Beijing despite longtime medical treatment. He was 71. [passage omitted]

Wreaths were received from Wan Li, Yu Qiuli, Hu Qiaomu, Wang Zhen, Bo Yibo, Gu Mu, Zhang Jingfu, Zhang Aiping, and other leaders.

Attending the ceremony were Yu Qiuli and Duan Junyi, as well as public figures from various circles and comrade Luo Tan's friends, totaling more than 500.

WAN LI INAUGURATES GOLF CLUB; CHEN MUHUA PRESENT

OW290029 Beijing XINHUA Domestic Service in Chinese 1434 GMT 27 Sep 86

[By reporters Li Jinghua and Jiang Qianfeng]

[Excerpt] Beijing, 27 Sep (XINHUA) -- Vice Premier Wan Li, a good tennis player, today took up a golf club enthusiastically and teed off to mark the opening ceremony of the Beijing International Golf Club. [passage omitted]

Vice Premier Wan Li and the Japanese Delegate Tatsuo Nakagome cut the ribbon for the opening ceremony. Attending the ribbon-cutting ceremony were Chen Muhua, state councilor; Chen Xitong, mayor of Beijing Municipality; Ichizo Kimura, chairman of the Japanese-Sino Economic and Trade Center Council; and Hajime Onishi, vice chairman of the Council of the Beijing International Golf Club and president of the Japan Golf Development Company.

XI ZHONGXUN, OTHERS AT REUNIFICATION SYMPOSIUM

OW282002 Beijing XINHUA in English 1852 GMT 28 Sep 86

[Text] Beijing, September 28 (XINHUA) -- A senior leader of the Chinese Communist party once again called on the third cooperation between Kuomintang and the Chinese Communist Party, and the peaceful reunification of the country under the conception of "one country, two systems" here today.

Speaking at a symposium marking the 100th birthday anniversary of Tan Pingshan, one of the founders and leaders of the Revolutionary Committee of the Chinese Kuomintang (RCCK), Xi Zhongxun, member of the Political Bureau of the Central Committee of CPC said, Mr. Tan's pursuit of materializing the ideal of democracy and peaceful reunification in China represents the common aspiration and demand of the Chinese people.

It is a conclusion from China's history that cooperation between Kuomintang and the Chinese Communist Party is beneficial to each side while division is detrimental to both, he said, citing the first and second cooperations between the two parties for example.

A series of commemorative activities will be held home and abroad this year to mark the 120th birthday anniversary of Dr. Sun Yat-sen, a revolutionary forerunner in China, said Xi.

"We should unite and strive for the reunification of our nation to console and commemorate Dr. Sun Yat-sen and other pioneers who advocated the cooperation between Kuomintang and the Chinese Communist Party and devoted themselves to the country's peaceful reunification like Tan Pingshan," he said.

Tan was vice-chairman of the Central Committee of RCCK and member of the standing committee of NPC. He died in Beijing in April 1956.

Tan joined Tong Meng Hui (the Chinese Revolutionary League) founded by Dr. Sun Yat-sen when he was 19 and became a member of the Chinese Communist Party as soon as it was born. He strongly supported and played an active role in the first cooperation between Kuomintang and the CPC (1924-1927) when he was head of the Organization Affairs department of the KMT Central Committee.

Working with Chinese Communists during the following long period, he made remarkable contributions to the cause of peace and democracy in China.

The commemorative gathering was hosted by Zhu Xuefan, vice-chairman of the Standing Committee of NPC and vice-chairman of the Central Committee of RCCK. Among those who made a speech at the meeting were Zhou Gucheng, vice-chairman of the Standing Committee of NPC, and Qu Wu, acting chairman of the Central Committee of RCCK.

Also present were Qiao Shi, member of the Political Bureau and member of the Secretariat of the Central Committee of CPC, Yang Jingren, Qian Changzhao, Ma Wenrui, vice-chairman of CPPCC, leaders of RCCK, Tan's friends and family members and personalities of various circles, which totaled about 200.

XI ZHONGXUN, OTHERS WATCH SHANGHAI KUNSHAN OPERA

OW301107 Shanghai City Service in Mandarin 0100 GMT 29 Sep 86

[Text] The Shanghai Kunshan Opera Troupe, which is currently performing in Beijing, was invited to perform at Zhongnanhai yesterday evening, especially for the central leaders and others who attended the 6th Plenary Session of the 12th CPC Central Committee.

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Watching the performance were Xi Zhongxun, Yao Yilin, Chen Pixian, and other central leaders, as well as Shanghai Municipal CPC Secretary Rui Xingwen and Shanghai Mayor Jiang Zemin. They are praised the troupe for its excellent performance.

LI PENG CONGRATULATES SHANDONG COMPANY

SK290745 Jinan Shandong Provincial Service in Mandarin 2300 GMT 28 Sep 86

[Excerpt] The All-China Trade Union Council held a ceremony to confer the title of National Advanced Collective on the Shandong No 1 Power Construction Company at the construction site of the Zouxian Power Plant on 28 September.

The council gave a Certificate of 1 May Merit to the company for its outstanding contributions to material and spiritual civilizations. The council called on the staff members and workers throughout the nation to learn from the company to make contributions to the four modernizations at their own posts.

Vice Premier Li Peng, the Ministry of Water Resources and Electric Power, and relevant departments throughout the nation sent messages of congratulations to the company.

The message of congratulation sent by Vice Premier Li Peng states: I hope that you will continue to carry forward the spirit of fearing no difficulties and bravely forging ahead, further strengthen scientific management, bravely do pioneering work and carrying out reform, strengthen spiritual civilization, encourage the broad masses of staff members and workers to enthusiastically and creatively do their work, strice to grasp advanced technology to build more and better modernized power plants, and make efforts to set an example for the power construction units throughout the nation.
[passage omitted]

YE FEI FETES OVERSEA CHINESE; LEADERS ATTEND

OW300126 Beijing XINHUA Domestic Service in Chinese 1442 GMT 29 Sep 86

[Text] Beijing, 29 Sep (XINHUA) -- Ye Fei, vice chairman of the NPC Standing Committee and chairman of the NPC Overseas Chinese Committee, held a reception in the Great Hall of the People this evening to welcome the Overseas Chinese who have come to Beijing to attend the celebrations for the 37th anniversary of the founding of the republic.

Wan Li, Xi Zhongxun, Fan Yi, Hu Qili, Huang Zhen, Peng Chong, Rong Yiren, Gu Mu and other comrades chatted with the Overseas Chinese from more than 20 countries and regions and compatriots from Taiwan, Hong Kong and Macao as well as representatives of returned overseas Chinese and their families in a happy festive atmosphere. They had group photos taken occassionally to mark the occasion and repeatedly proposed a toast to celebrate the 37th anniversary of the founding of the republic.

In his toast, Ye Fei said: Today, 37 years after the founding of the republic, our country's socialist modernization is vigorously making headway. Making reforms and opening to the outside world have invigorated our state. While we are deepening our economic structural reform, we are also continuously making the political structural reforms to build a highly democratic and efficient socialist political structure with a sound legal systm so as to guarantee and spur on successful economic structural reforms.

Ye Fei said: The Communist Party of China and the Chinese Government pay a lot of attention to Overseas Chinese residing in various parts of the world. We are happy to see that China's present policies and particularly China's policy on Overseas Chinese affairs have been increasingly welcomed and understood by Overseas Chinese. Over the past several years, our Overseas Chinese have made new contributions in expanding friendly relations between China and the countries where they are living and the friendship between the Chinese people and the people of those countries, in undertaking economic, trade and technological cooperation with the motherland and in helping end the divided situation between the mainland and Taiwan. On behalf of the Chinese Government and people, I express heartfelt thanks.

The reception was presided over by Liao Hui, director of the State Council's Overseas Chinese Affairs Office. Zhang Guoji, chairman of All-China Federation of Returned Overseas Chinese, and responsible persons of departments concerned were present at the reception. More than 800 people attended the reception tonight.

FANG YI VISITS SHANDONG PAINTER'S EXHIBIT

OW301101 Beijing XINHUA Domestic Service in Chinese 0842 GMT 29 Sep 86

[Excerpts] Beijing, 29 Sep (XINHUA) -- An exhibition of paintings by noted Chinese painter Yu Xining opened today at the Chinese Art Gallery.

Visiting the exhibition were Fan Yi, Yang Chengwu, other leading comrades, and some celebrated personages in painting circles such as Li Keran, Qi Gong, Hua Junwu, and Cai Ruohong. [passage omitted]

Yu Xining is currently a professor at the Shandong Arts Institute, vice chairman of the Shandong Provincial Federation of Literature and Art Circles, and chairman of the Shandong Branch of the Chinese Artists' Association.

The exhibition is being sponsored by the Chinese Art Gallery, the Chinese Artists' Association, and the Cultural Department and other departments of Shandong Province.

TIAN JIYUN FAVORS SIMPLER OPENING CEREMONY

OW010116 Beijing XINHUA Domestic Service in Chinese 1554 GMT 30 Sep 86

[By reporters Huang Zhimin and Xu Xiaoping]

[Excerpts] Beijing, 30 Sep (XINHUA) -- The Beijing Daguan Garden was formally opened today, but ribbon-cutting, discharge of firecrackers, and speeches by leading comrades during the ceremony were omitted. Vice Premier Tian Jiyun, who was present at the ceremony, told XINHUA reporters: Ceremonies should also be reformed. This ceremony today is very good.

The Beijing Daguan Garden, a duplicate of the garden described in the novel "A Dream of the Red Chamber," informally opened in July 1985. [passage omitted]

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Tian Jiyun and others toured Yihong Mansion, Xiaoxiang Mansion, and other scenic spots in the garden.

Leading comrades of Beijing Municipality Li Ximing and Chen Xitong attended the opening ceremony.

CIRCULAR ENCOURAGES WATER CONSERVATION PROJECTS

OW011419 Beijing XINHUA Domestic Service in Chinese 1454 GMT 30 Sep 86

[Excerpts] Beijing, 30 Sep (XINHUA) -- The Rural Policy Research Center of the CPC Central Committee and the Ministry of Water Resources and Electric Power issued a joint circular today, calling on all localities to seize the opportunity to arrange and organize construction of water conservancy projects this winter and next spring. [passage omitted]

The circular urged all localities to make early arrangements for building rural water conservancy projects this year and to fulfill the following tasks:

1. Reforms must be upheld. Regulations and measures that no longer fit the countryside's situation brought about by the rural reform should be changed. Efficiency should be stressed in building rural water conservancy projects. To achieve this goal, it is necessary, after carrying out experiments, to formulate new methods of organizing rural water conservancy construction; new economic and technology policies; new policies governing the raising, use, and management of funds; as well as a new system of administering water conservancy projects and new water-saving technology.
2. Peasants should be encouraged to devote greater efforts to agriculture. A labor accumulation system should be established and improve.
3. All localities should establish priorities in light of actual conditions. Some localities should concentrate on restoring, repairing, expanding, and managing their existing water conservancy projects, while other areas that need to build new ones should work out plans in line with local conditions and stress efficiency when implementing these plans.
4. All localities should promptly work out fund raising and material supply plans. To facilitate construction in winter, they may advance part of the funds supplied by the state to lower-level units. To raise the efficiency of investments, it is necessary to use special funds for a special purpose according to plans. Efforts should also be made to improve the methods of using funds.

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Article by Liu Baiyu: "Poetic Excellence of His Time -- Reading 'Selected Poems by Mao Zedong'"

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Article by Tian Tongsheng: "Why Is Leasing Regarded as an Effective Way To Import Technology and Equipment?"

Article by Xun Chunrong: "On Similarities and Differences"

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Article by Li Jinduo: "Comments on Three Points Concerning Making On-the-Spot Decisions"

Article by Guo Sheng" "A New Chapter on Reform -- Reviewing 'The Soaring Shijianzhuang'"

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CPCCC RESOLUTION PAMPHLET -- Beijing, 30 Sep (XINHUA) -- The "Resolution of the CPC Central Committee on the Guiding Principles for Building a Socialist Spiritual Civilization," adopted at the 6th Plenary Session of the 12th CPC Central Committee on 28 September 1986, has been published in pamphlet form by the People's Publishing House. These pamphlets will be on sale at the XINHUA bookstores in Beijing, and throughout the country starting 1 October. The Nationalities Publishing House will publish this book in five minority languages: Mongolian, Tibetan, Uygur, and Kazak languages, and Korean. [Text] [Beijing XINHUA Domestic Service in Chinese 1218 GMT 30 Sep 86 OW]

SATELLITE PICTURES -- A remote-sensing satellite ground station, sponsored by the Chinese Academy of Science Space Center, has produced hundreds of remote-sensing satellite pictures since it went into trial operation at the end of May. According to the assessment of an international conference in Italy, the quality of China's satellite ground station products is among the world's finest. The space center's remote-sensing satellite ground station has become one of the world's few advanced remote-sensing satellite ground stations. Some of the satellite pictures processed by this station have been provided to customers, thereby furnishing scientific data for the purpose of science research and economic development. The station will also provide service to customers from foreign countries as well as from Hong Kong and Macao. [Summary] [Beijing Domestic Service in Mandarin 0900 GMT 20 Sep 86 OW]

QINGHAI CIRCULAR URGES STUDYING CPC RESOLUTION

HK300201 Xining Qinghai Provincial Service in Mandarin 2330 GMT 29 Sep 86

[Excerpts] The Qinghai Provincial CPC Committee issued a circular on 30 September demanding that all areas and departments seriously study the CPC Central Committee's resolution on guiding principles for building socialist spiritual civilization.

The circular says: The resolution of the CPC Central Committee on the guiding principles for building spiritual civilization, approved by the 6th Plenary Session of the 12th CPC Central Committee, is another important document following the CPC Central Committee's decision on reform of the economic structure. In accordance with the guidelines of integrating the basic principles of Marxism with Chinese reality, the resolution further expounds on the strategic position, fundamental tasks, and basic guidelines of building socialist spiritual civilization. It is a programmatic document for stepping up the building of socialist spiritual civilization in China in the new period of history. The party committees at all levels must seriously study and resolutely implement the resolution. [passage omitted]

The circular demands that the party organizations at all levels integrate study of the resolution with study of Comrade Hu Yaobang's important speech during his inspection of Qinghai, enhance understanding, unify their thinking, and lead the cadres and masses to spontaneously and enthusiastically plunge into the great cause of building the two civilizations.

On the basis of studying the resolution, all areas and units should carry out thorough investigation and study and formulate views and measures for implementing the resolution.

The circular also demands that the provincial level propaganda and media units and the propaganda departments of the party committees at all levels regard study and publicity of the resolution as the central task at present and for a time to come. [passage omitted]

XIAN POLICE CRITICIZED AGGRAVATING SOCCER RIOT

HK011337 Hong Kong CHENG MING in Chinese No 108, 1 Oct 86 pp 42, 43

[Report by Chiang Cheng-tzu (3068 1004 1311): "Another Soccer Riot in Xian]

[Text] Last year, there was a riot by soccer hooligans in Beijing on 19 May. Fourteen months later, there was another tremendous riot by soccer hooligans in Xian, but so far the mass media has not reported it at all. In mid-Autumn, I went to Xian to visit my relatives and learned all about the incident from beginning to end.

Exhibition Match Between the State and Shaanxi Provincial Teams [subhead]

Last 19 July, there was a riot of several thousand hooligans in which over 20 vehicles were damaged, 3 females were insulted and injured in public, and it is said that 1 of them later died. After the incident, the authorities arrested 65 people, among whom a 17-year-old male named Wang and another male of 19 were prosecuted as the principle criminals of the incident. According to the city Public Security department, "All those arrested are young people between 17 and 28."

On the evening of last 19 July, the last match of the second Precious Flower Game, an exhibition match between the State Football Team and the host team — the Shaanxi provincial team — was held at the provincial stadium in the southern suburbs of Xian. In the first half, a goal by the Shaanxi provincial team was ruled invalid by the referee, rousing the protest of all those watching the match in the stadium. For some time, people shouted, "Replace the referee," "Get out, referee." At one corner of the stadium, several hundred people shouted in unison: "One, Two, referee, go to hell." They did not cool down for a long time, but the 200 policemen, finding themselves unable to deal with it, did nothing to interfere.

The match was tied one to one at 2145. According to the regulations, an exhibition match finishes with an even score; the match would not be lengthened, nor would 12-yard kicks be held to determine which team won. But the audience was not satisfied and urged that they had to see which team won. Of the 50,000 viewers there, 30,000 would not leave the stadium. After waiting quietly for some time, they lost patience. At about 2200, some of them left the stadium to stop the state team from getting in their vehicle. They shook the vehicle and nearly toppled it, so the driver and passengers jumped off in fear. The state team was forced to withdraw to the stadium rest rooms. Several thousand hooligans rushed down the bleachers onto the football field waving the colored flags they had pulled up from around the court, striking the aluminum plates and blowing the bugles they had brought with them, and shouting loud threats.

At that time the over 200 policemen all came out, wielding their clubs to separate, chase, and beat the crowd. Immediately, five youths were injured and fell unconscious on the ground with bleeding faces. They were soon moved away by the police. The hooligans returned the attack by throwing glass bottles. At about 2215, the hooligans were finally driven from the stadium. The policemen returned to their offices, thinking that they had fulfilled their tasks, but they had no idea that after they left there was an even worse riot outside the stadium which lasted for 3 and 1/2 hours.

"Throw Stones at Cars and Officials" [subhead]

When the hooligans were outside the stadium, they found plenty of bricks and stones for weapons, but no police or the state team to fight with. What could they do? They could not stand idle with bricks in their hands. "Throw them at vehicles!" someone shouted. "Yes, why not?" As a result, all vehicles passing by became their targets. Any vehicle, large or small, was hit by one or two bricks when it entered their range of throws. "Throw them at cars! Throw them at the officials!" another shouted. Trucks there fled quickly. A car of the Xian No 4 Petroleum Instrument Factory came and was stopped by a rain of bricks. The hooligans went near the car and saw that the driver had been hit in the head by a brick and had lost consciousness, a boy of 7 had also been hit in the head and his eyes were bleeding.... In all, over 20 vehicles were hit.

Meanwhile, a fire was built on the other side of the stadium, to which people continued to add fuel such as advertisement boards, colored flags, and anything that could burn.

A few strong hooligans pulled plants from the pots at the gate of the stadium and rolled around the pots, which were 1 meter in diameter and 1 meter high.

Girls' Clothes Torn Off [subhead]

It was midnight, but there were several thousand people around the stadium. People began to feel tired and wanted to look for new excitement. It happened that two girls came by the stadium and a few stones were thrown at them. The girls stopped and called the hooligans names. The hooligans shouted abuse at the girls and surrounded them. Soon the girls' clothes were torn off and countless hands beat and pinched the girls. The girls screeched and struggled for some time, but soon fell unconscious. Later the girls were moved by people into the stadium and examined. Under the light, they saw the girls were bruised all over and everyone there sighed at the sight. An elderly man said: "Where are the police? Those sons of bitches are fed by our state for nothing!" After the incident, there was a widespread rumor that one of the girls died at the Qingan Company Hospital in the western suburbs of Xian.

A few minutes later, a young woman, 24, Shi by name, who worked at the West Suburban Electric Power Company, came by bicycle to the stadium to look for her husband. A pot rolled by the hooligans bumped against her and her bicycle fell on the ground. Before she could get to her feet or protest, her clothes were torn off. She shouted, "What are you doing? I have not done anything against you." But the hooligans turned a deaf ear to her. She also was insulted and injured till she lost consciousness. At 0200, she was sent to hospital for treatment. The medical examination showed her perinium and the muscle around her anus rifted and her breasts were full of bruises. She had a transfusion of 500 cubic centimeters of blood. It was not until past 0300 that police wagons came again to the stadium and suppressed the riot.

The Central Authorities Criticized Xian Police [subhead]

After the incident, the Supreme People's Court, the Supreme Procuratorate and the Ministry of Public Security jointly formed an investigation team, which went to Xian in a hurry and brought with it the instruction from the upper level: We should not merely focus on social problems, but should also see the problems inside us. It is said that this meant a criticism against the police in the 19 September incident, who carried out the suppression blindly and thus gave rise to an upgrading of the violence, but who left the site after rousing the trouble and responded slowly when the situation aggravated. This gave rise to a vicious criminal incident that could have been avoided.

It has been more than a month since the incident, but no judgment has been pronounced. Perhaps, because there was no presence of foreign reporters that day, the newspapers, journals, and radio and television stations have all kept silent about the incident. But it is known to everybody in Xian. I hope the authorities will be fair in handling this case.

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